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Memoirs of Robert Dollar

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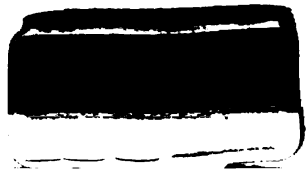

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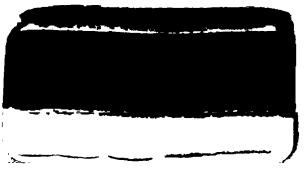

ROBERT DOLLAR

MEMOIRS OF ROBERT DOLLAR

December, 1917

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Memoirs of Robert Dollar

Chapter One

EARLY EXPERIENCES

THESE memoirs were intended for my family and some immediate friends, but at the urgent request of others, I have decided to make them public. I have but one reason in so doing and that is, that they may be of benefit to some young men who are starting in at the bottom thinking the difficulties confronting them are insurmountable, when they look up to the top of the ladder. No doubt they think no one has had such a hard time as they.

I cannot express my sentiments better than to repeat a part of Longfellow's "Psalm of Life":

* * * * * *

And departing leave behind us
Footprints on the sands of time;

Footprints, that perhaps another,
Sailing o'er life's solemn main,
A forlorn and shipwrecked brother,
Seeing, shall take heart again.

Let us then, be up and doing,
With a heart for any fate,
Still achieving, still pursuing,
Learn to labour and to wait.

In getting a start in life, no doubt many have had as hard a time as I but few have had harder experiences.

I was born in Falkirk, Scotland, in 1844. That was an eventful year for my mother's family. My uncle, John Melville, was master and part owner of the ship "Helen Mar"—she was owned by my uncle and grandfather. Another uncle, Alex Melville, was first officer, and Robert Melville was carpenter. In the early part of 1843 she got a cargo from Bombay to Calcutta. There was no freight offering there, so she was laid up some time. They gave her a complete overhauling, and in the early part of January, 1844, got a cargo for London. A Glasgow ship sailed in company with them, and in a violent typhoon was totally dismantled, but with a jury rig was able to make port. The "Helen Mar" was never heard of after. The supposition is she foundered with all on board.

At the time of my birth my father was manager for the lumber establishment of Robert Melville & Company. The downstairs of the house in which I was born was used for the office and the upstairs for the dwelling. This house has been taken down, and a new office building is in its place. Later we moved into a house surrounded by a garden, and the first visit I made to my native land after having been away thirty-five years, I found the garden had been turned into a lumber yard and a lot of timber had been piled against the house, and to my astonishment, in looking it over, I found it was timber I had taken out on the shore of Lake Huron and sold in Quebec, not knowing where it was disposed of—each stick of timber had the Dollar mark on it.

When old enough I went to the public school. The teacher had only one arm, but when it came to chastening us boys how he could use that one arm! He used a cane, and he could make us dance the Highland Fling to perfection. Thank Providence he had only one hand, for we could never have stood two. That was one essential feature of the education in those days—to get a good thrashing several times a week. I may have gotten more than my share, as I have never forgotten them to this day. I left school when I was about twelve years old and immediately started to work in a machine shop attending a lathe. In those days there were no self-feeding lathes and small boys were used

for that purpose. I recollect the first Saturday night I got paid for a week's work with a half crown (60 cents) and how I ran home all the way and gave the money to my mother.

My mother died about this time, and my father took to drinking occasionally to drown his sorrow. This brought about the necessity for our emigrating to Canada, and it made me a strong temperance man, as I vowed I would never touch liquor as long as I lived. This vow I have religiously kept and to this resolution I attribute the most of my success in life.

In April, 1858, we sailed from Glasgow for Quebec on the sailing ship "Anglesia." There were very few steamers in those days, and the greater number of passengers were carried on sailing ships. We were five weeks in passage, and having some sickness on board were quarantined ten days, so it was the last of June when we arrived in Ottawa, where my father intended to make his home.

Immediately on arrival there I got employment in a stave factory in New Edinburgh. The eight hour law had not been enacted at that time, so we worked twelve hours a day. I do not recollect the wages I received, but think it was $6.00 per month. I worked in different mills until 1861 when I hired with the firm of Hamilton Bros. to work in one of their lumber camps, or "shanties" as they were called in those days. Mr. Hiram Robinson of Ottawa City, who is still alive, gave me the job at $10.00 a month. The foreman was Sandy Kingsbury, a big, jolly man and a good foreman. He put me to work to help the cook—chore boy as the job was called. A boy, green as I was, not long from the old country, had certainly a great deal to learn.

We left Ottawa in bark canoes and went up the Gatineau River to a place called Six Portages. This place was something over one hundred miles from Ottawa City and there were a great number of rapids and falls in the river past which we had to carry all our supplies. It was a very hard experience.

I recall one of these portages where there was a very steep hill which we had to climb over. In getting down on

the other side there was snow on the ground, which made it quite slippery. I had a big box on my back which I was carrying with a tump line. A tump line is a broad leather strap put around the box and placed over the forehead, as the Indians carry their loads. When I started down that hill my feet went out from under me, and myself and the box went down the hill as if I was a toboggan, but we came to an abrupt stop occasioned by the box going on one side of a tree and I on the other side. The strap had slipped off my forehead and down on my neck. I kicked and turned trying to release myself, but the harder I kicked the tighter the strap got, so I remained there till some of my associates came and released me.

We finally arrived at the place where we were going to build the camp, all tired out with the extremely hard and heavy trip up the river. We had the buildings up and were ready to put on the roofs when a few skunks came around and were quite a nuisance. One night when the rest were in at supper I was left outside to see if any came around. I saw one go into a hollow log, so I ran quickly and plugging up one end and pushing a pole in the other end, called to the foreman that I had one. He came out with his gun and I told him to take the plug out of the end and look in, which he did. At the same time I gave the skunk a jab with the pole and he immediately sprinkled the foreman's head with his perfume. I had to take to the woods, and did not venture to return until every one was asleep. The next morning he gave me a cuffing for my fun to the delight of all the others in camp. I realized from this I might fool with any of the others but not with the foreman!

Another amusing incident happened when we were building the camp. One day the foreman gave me two bags, and said: "Run out into the woods and fill these two bags with moss as quickly as you can." They used the moss to put into the chinks between the logs to make the shanty warm. I was in a big hurry, and wanted to please the foreman by doing it quickly, so rushed into the swamp where there was plenty of moss and filled one bag and stood it up against a tree. I then proceeded to fill the other one. When

I had this one filled I turned to find the first bag, but could not see it anywhere. I set the second one down, and started to look for the first one which I had left against the tree, and in a short time I could find neither and had lost myself as well. I wandered around the swamp all day, and got out just at dusk without any moss and tired out. The foreman was very angry and scolded me for being so long, and said to bring on the moss. When I told him I had lost both bags, he said: "I could understand your losing one, but how could you lose them both?" I spent every Sunday for a long time looking for the bags, but so far as I know they are still there, as I never found them.

The next season I again hired with the same firm under the same foreman, who promoted me to work in the woods cutting roads as the logs were all hauled with oxen. They had not tried to work horses in the woods at that time. What an evolution lumbering has gone through! First with oxen, then horses; both oxen and horses have been superseded on the Pacific Coast by steam. Now no lumbering is done except with donkey engines and railroads, on this coast.

This year (1863) I was sent to the mouth of the Gatineau River to help raft the logs out. A tug was sent to tow the logs from Ottawa City to the mill at Hawksburg. We made about one trip a week with logs, and I found it rather hard work, as we got but very little sleep.

At this time my brother and I bought a farm. Our united wages were only $26.00 a month, out of which we saved enough to buy the farm. It took us three years, I think. At the present way of living, this statement would appear incredible; but it is a fact, nevertheless.

The following summer an event happened which probably hastened my getting on in the world. I was put in to cook for the men at the Gatineau boom where the logs were being rafted. One day after I had finished my work, as had been my custom for the past two years, I was practicing writing and figures. I had not gotten much education to start with but what little I did get I had neglected and I began to realize that if I were going to rise in this world

I must have some education, and therefore started to write and figure on birch bark. While cooking I had gotten hold of an old account book and used it to practice in. One day the manager and treasurer of the company came in, but I did not hear them. They asked me if I had nothing to do and when I told them my work was done they looked around and found everything in order and asked to see my writing and figures. I showed them and was ashamed that they were not better. After questioning me a good deal they went off.

In those days we hired for a year, and when it was time for me to return to the woods for the next year I went to the office to engage with them. I was told they had a better job for me, to clerk in a small camp for a French foreman. It was not much of a raise as I worked all day and did what little writing that was to be done at night. This year we went in canoes as usual, from Ottawa to our winter quarters, further up than any lumbering had previously been done. It was over two hundred miles, and took us about three weeks to get there. The camp was over one hundred and fifty miles from the nearest inhabitants except Indians. The entire crew was French, with the exception of myself. I was the only English-speaking person, so it became a necessity for me to learn French as quickly as possible, and by the end of the season I could talk the language very well. Unfortunately I learned by sound, and as no one was there to teach me to read and write, I never had an opportunity to learn the language thoroughly, although I could talk it perfectly.

The manner of living, or what would be called the standard of living, was very different from that of our lumber camps of today. Our stores consisted of fat salt pork in barrels, flour and peas. A few years after I started, beans were added to the list. Tea was supplied to any one who wished to pay $1.00 a month for it. Occasionally a few sacks of potatoes were sent in before the cold weather came. No other vegetables of any kind were used. The result of this lack of change of diet was that in the spring of the year we had men laid up with the disease called "black

leg." This is similar to the disease the Japanese and Chinese are afflicted with on board of ships, due to the constant use of rice and known as "beri-beri."

Another troublesome disease many of us had after the long winter and before we could get any change of food was what we called "night blind." As soon as the sun set we would become totally blind until after sunrise. All those so afflicted had to make sure to get back to camp before sunset, otherwise they had to be led. Even a candle did not help out as it gave no light to those so afflicted. By eating a small piece of cheese or drinking milk, especially buttermilk for five or six days, a complete cure was effected. What a neglect on the part of employers that such things were allowed to go on to their own hurt, as men afflicted in this way could not do the work that perfectly well men could do! Now-a-days our men in camps are as well fed and with as good a variety as in any of our homes.

A big box was kept in each camp called, for short, a "van," properly *vanjouterie.* In it was tobacco and the necessary clothing that might be required. In the line of medicines, were the following, and no others: Radway's Ready Relief, salts, castor oil and sticking plaster. Those were supposed to cure all the ills that the lumbermen of those days might be afflicted with. This was a small assortment, but I must say the men were the healthiest and strongest that could be found in any community. They worked outdoors all the time and from April until September slept in tents.

In March of 1864, twelve of us were sent to haul provisions to a new place where they were starting a farm on the Jean de Terre River. Each pair of us was hitched to a train, *de glace,* as it was called. It was like a toboggan. I think each train had four hundred pounds on it. The route was through woods all the way, with some lakes to cross on the ice. The snow was about four feet deep and soft, making it such a hard trip that I never forgot it. At night we would just break a little brush and spread it on the snow. Each man had one blanket in which he would roll himself and sleep in the open air with the thermometer

below zero. We shivered more than we slept. One night we camped on the side of a mountain. There was a long range of hills on the opposite side of a canyon in view from where we lay. The woods were evergreen, spruce, balsam and pitch pine. It had snowed hard all night and the trees were covered with it, as it stuck to them and fell on us. I recollect well how it melted on our blankets and wet us through. At daybreak an earthquake came along and woke us up. In an instant we were all on our feet; at first, the snow falling from the trees blinded us, but we saw a strange sight on the mountains opposite. We could follow the progress of the earthquake's undulations by the snow falling from the trees. Before it, the trees were all covered with snow and after the temblor had ceased, they were all shaken clean and were green. We could trace the course of the earthquake for a distance of three miles, showing exactly the direction it was moving, also the speed at which it was traveling.

We reached our destination, the distance being about one hundred and twenty miles, the hardest I ever traveled. Returning, it went better as we had our trail to go on, and having no loads we made good time. I think we returned in about five days. We were glad to get back to our hard work in camp, which seemed easy after our trip.

I worked my way up slowly until, in 1866, when I was twenty-two years of age, I was put in charge of a camp of forty men, and in the spring of the year I ran the logs down the Du Moines River to the Ottawa River, where they were boomed and taken by several stages over the rapids and falls, and after a great deal of hard work and trouble we got them to Ottawa City. Up to this time no logs had been taken over the Chaudiere Falls. Under the direction of our manager I ran a quantity over these falls, but it did not prove a success.

We then tried to get the logs to the north side, past the town of Hull through the slide. This was successful and after a time we got them running well. To make up for so much lost time experimenting, I kept urging them to feed them in faster until my energy exceeded my good judgment,

the result being that a jam occurred in the steep slide so that in a few minutes it choked full, and, before I could stop more coming, it completely stopped the water coming through the proper channel and it found a very improper one by going through the match factory of Mr. E. B. Eddy, flooding the floor, so that some hundred employees had to quit work. Mr. Eddy immediately appeared on the scene, and called me all the bad names he could think of.

At last I told him that we were only losing time and if he would let me alone I would try and stop the water going through the factory. I went at the job with all the energy I possessed while he sat on the bank and watched every move of myself and the men. It was very dangerous starting the logs, as when we got them started they would go like a shot out of a gun. We were successful and in an incredibly short time we got the logs started and the water ceased making a highway through the factory. When I finished, Mr. Eddy came up and said, "I take my hat off to you for the able and expeditious way you got those logs going." And after all the damage I had caused him he said, "I take back all I said to you on the start." The big, broad gauge man that he was; this made us fast friends as long as he lived.

At this time I started keeping a diary and have kept one constantly up to the present time. I find this diary very convenient in looking up places and dates.

Needing a change, I took a vacation at home for three weeks and worked even harder than I had been working in the woods. I tried to do as much as possible in those three weeks as the farm had to be paid for, and this could only be done by working for wages. I had hoped to be able to settle down quietly on the farm, and this ambition stimulated me to greater exertions. But a quiet life was not to be my lot. The very reverse was in store, and I was destined to be actively engaged in business.

Previous to being foreman, my wages were $16.00 a month. I often thought if I could only get up to $26.00 a month the height of my ambition would be realized. This ambition was soon satisfied as I got $26.00 in the fall of the

year by taking charge of a camp. This will give an idea of how low wages were at that time (caused by the depression following the Civil War), when a foreman in charge of a crew of men only got $26.00 a month.

During this winter I had a severe attack of rheumatism caused by being exposed to storms and hardships in the woods—far more than my share. However, I got over it, and never have had an attack since.

In taking the logs down what is called Deep River, a tributary of the Ottawa River, where there is not much current, we boomed up the logs in one long string and with a capstan, an anchor and lines, moved them along. One very foggy night while we were warping, the wooden spindle on the capstan, which needed greasing very badly, made a squeaky noise, which a moose ashore thought was a buck, and swam out to us. It did not see us until it was right alongside of the crib. When it saw what kind of bucks we were it immediately turned and started to swim ashore. Some of the men got into a boat and killed it with oars and an ax. It weighed over one thousand pounds and furnished us with roasts and steaks for several days.

On this trip down the river we built cribs on which we erected cabins to live in. These cribs were run down the rapids with long oars at each end. I had become familiar with the various rapids and was able at this time to pilot them down, which was a very dangerous and risky proposition.

The Civil War had been going on in the United States, and as we were six months without any mail we could not keep posted on affairs of the outside world. What information we did get was only a short account of some great engagement. We were a world to ourselves, but we got used to this as our whole time and attention were taken up with our work.

Accidents were rare, but they did happen. I recollect one of my men got a leg broken. I had never seen a person with a broken leg, and had no idea how to set it. I asked all hands if any of them had ever had a broken limb or had ever seen one set. Not one of the sixty men could help me

even with a suggestion. So I had to go at it, having only common sense to guide me. I was fortunate enough to do it right, with the exception of keeping a weight on it to prevent it shrinking, with the result that the man had a leg one inch too short, causing a slight limp. When I got to civilization I got a doctor to show me how to set a broken leg. His method closely resembled my rough and ready way of doing it. A foreman in those days had to be a jack-of-all-trades. I was fortunate in never having a man killed while I was foreman, but I was unfortunate in having several drowned at various times.

A foreman of a camp in those days had to be resourceful and to possess the faculty of taking the initiative, as we had very little to do with and had to depend on our own resources when anything went wrong, which often happened. This made us strong and self-reliant. My wages at this time were $32.00 a month, and for the amount of work and responsibility I thought it a small wage, so I gave the company notice I would leave, which I reluctantly did after having worked so long for them.

In 1870 I engaged with Pearly and Pattee at $44.00 a month, and went up the Coulonge River about three hundred miles from Ottawa City. While here we were as much out of the world as formerly, and were many months without communication with the outside. I put in three more years of this work, during which time I had an unfortunate accident. The manager sent me with a crew of men to go to the mouth of the river, about one hundred miles distant, to take care of the logs. I protested on leaving that the boat was too heavily loaded, but he thought differently. When we were fifty miles from the mouth of the river the boat swamped and three of the party were drowned, and only that I insisted on the survivors holding on to the boat more would have perished. We managed to get ashore, at the head of a great falls, but lost everything including our provisions. If we had gone over it not one would have been left to tell the tale. We got the boat out of the water to carry it past the falls, but as the oars were gone it was slow work getting down. The men were completely discouraged, but after a

good deal of protesting I got them to carry the boat over the falls where we found two oars and a couple of trunks. We still had two long rapids to run, but got through safely. At night we all lay on the frozen ground close together to keep as warm as we could, having no matches to light a fire as they had all gotten wet. We had a cold, miserable night of it and were glad next day to get to civilization. We reached a French-Canadian farmer's house, and he permitted us to lie on the floor, which was much better than the previous night. By keeping a good fire in the stove we had an opportunity to dry our clothes.

By persistently saving we kept buying land and increased the size of our farm until we had five hundred acres all paid for.

During the last few years I had been successful in building dams and improving rivers that were not considered navigable, thereby saving a great deal of money for my employers by shortening the haul with the teams. I managed to make a great success of this work.

Chapter Two

FIRST BUSINESS VENTURES IN CANADA

Up to 1872, I had succeeded in saving some money and had been persistently working on my education, having taken a good many books of standard authors to the camps and read them during the long winter, so that isolation from the world was a benefit in that way.

At that time I left the Ottawa River and went to a new country, the Muskoka district, north of Toronto, where in partnership with Mr. Johnson, we bought timber on land owned by farmers and started lumbering for our own account, making our headquarters at Bracebridge, Ontario. It was a new country just opened by the Government, and there was a good opportunity. Business was booming at this time and we did not sell our logs, expecting to get a higher price when we would deliver them at the market the following summer; but at that time along came Black Friday in New York, which paralyzed business throughout not only the United States but Canada as well. When we came to sell our logs we found we had made a loss of what little money we had put in as well as about $5000.00 more. I recall what a friend said to me at that time, which I did not appreciate: "Happy and lucky is the man who fails when he is young." This loss turned out all right in the end, but it was hard medicine to take and it was years before I understood the meaning of my friend's words.

In order to pay up the debts, my partner and myself had to go to work on wages. We divided up the indebtedness, each agreeing to pay half. For my part, it took three years' hard work to get even with the world again.

I had previously been in the employ of H. H. Cook. At this time he tried to get me to go into partnership with him, but I absolutely refused until I had paid up all my debts. I then started with him. He furnished the money and I the

brains and hard work. Having the experience of previous years I was extremely cautious and careful, and made a success of the new venture from the start.

In 1874 I got married, and my wife and I made our home in Bracebridge, Ontario, where we lived for seven years. From this time on I date the commencement of my success in life as I was fortunate in getting a good helpmate. Business began gradually to increase and I was kept very busy.

In 1876 I had started eight camps in Muskoka district, and besides these I started a camp to get out saw logs on one of the islands of Georgian Bay near Parry Sound, which was accessible only in summer. So we put the whole equipment on a steamer with men and teams and sufficient supplies to last them until spring of the following year. Early in March I got a letter from the foreman, the first we had heard from them. This letter was brought out by an Indian who had managed to cross on the ice. The foreman stated they would be short of fodder for the horses, and unless some was sent to him the horses would starve before the opening of navigation. It was a serious situation and required drastic measures.

I went to Midland, bought four loads of feed and hired four teams of horses to take it out on the ice to the camp sixty miles up towards Lake Huron. The owners were so afraid, that I had to value their horses and guarantee if any were drowned I would repay them. We left Midland on the 20th of March. All went well the first day with the exception of our finding a few wide cracks which we had to bridge over. That afternoon and evening a terrific storm blew up. We were out of sight of land and I was piloting them now with my compass and chart. About 3 p. m. a light snow began to fall and then a heavy gale swept down on us without any warning. It was so heavy that it swept one team off its feet. When we got them up it was blowing a hurricane and the snow was blinding. It was impossible to proceed, so we got the loads together and made a hollow square with all the horses and ourselves in the small place. It did not seem possible that we could live through the night

in this shape as it was very cold and we were on the open lake without shelter. The soft snow that had been falling had wet us through. On looking at my chart I found there was a small island or rock about a mile directly to windward of us. I took an ax and started out to find it, in hopes we could find some shelter, but after going scarcely a quarter of a mile I could go no further on account of the velocity of the wind and the fine snow which choked me, so I turned back to where I had left the men and teams.

As I had gone directly against the wind I returned with it at my back. When I had gone as far back as I thought I had gone forward I could not see them. This was not strange as the blinding snow prevented my seeing any distance. It was impossible to stand still so I lay down on the ice and called with all my might hoping they would hear me, but I had begun to choke with the fine snow driven with the force of the wind. So I got up and started again. I was mystified at not finding the teams and men and could not reason it out for a while, but it soon came to me that the wind had shifted, which turned out to be the case. I was driven along having no idea where I was going—sometimes thinking I might be going to open water as Lake Huron did not freeze all over. There was water over the ice in places making it very slippery and I had some very bad falls besides getting very wet, and the cold wind soon froze my clothes as hard as boards. I was getting badly used up, the head of the ax handle having broken the bones in my hand, although I did not know it at the time. At last I fell and struck on the back of my head which stunned me, and I lay quite a while unconscious. The snow falling on my face at last revived me, but I reasoned it was no use going further, and that I might as well lie there, as it did not seem possible for me to get out of it alive.

After lying there a while I felt a little rested, and thought I would try it again. I got up on my elbow, and to my great astonishment saw land not more than fifty feet from me. I immediately felt as if there was nothing wrong with me, and jumped up as smart as I ever did in my life. Although it was a barren, inhospitable shore—no habitation

within fifty miles of me—I was well pleased with it. I walked into the woods far enough to get out of the wind and cut a lot of wood (I never had let go of my ax) and lit a fire. My clothes were frozen so stiff it was only with great difficulty I was able to get my hand into my pocket. When I got out my match box there were only two left in it. I need not say that I took great precautions to make sure they would not miss fire. I got behind a perpendicular rock out of the wind, and everything ready, was pleased beyond measure when the first match started the fire. My anxiety was great as it would have been impossible to have survived, wet as I was, through the intense cold of that night. I kept a good fire going and got my clothes thawed out and dried, but did not sleep any. At daybreak I started back to the ice, and found it calm and a clear, bright morning.

All through the night I thought of the poor men still on the ice, and was sure they had all perished and I was the only one left to tell the tale. They, on the other hand, must have thought it was impossible for me to have reached land and were sure I had perished so they hitched up their horses and started for home, but, as I was the only guide they had, they had no idea which way to go. After consultation they decided on a direction which proved to be entirely wrong. I started in the direction where I thought they were, and found my tracks occasionally. I found I had gone over three miles parallel with and never more than five hundred feet from shore. After traveling eight or ten miles I got sight of the teams a long way off. They appeared like a dot on the horizon. I walked as quickly as I could and fortunately the men saw me, and were overjoyed as they had great doubts of being able to get back home without me. During the night they had lit a fire and burned about one load of the hay, which saved their lives. We had lost nearly all our provisions, and the only thing we had to eat was bran mash, without salt. When I got up to them it was about noon, so we lit a fire and all had a share.

MRS. ROBERT DOLLAR
The Faithful Companion and Counselor of Robert Dollar

The men had had enough of it and all wanted to return home. I urged them to keep on as we were that far, but with only bran to eat, and in view of our late experiences, I don't see, now, how I ever persuaded them to go on. As soon as we finished our meal we started for the camp. That night it was not so cold and we reached a small island where the woods were thick. The next day was Sunday, and after dark we reached the place where I understood the camp was located. It had been snowing hard all day and none of the men had been out, so there were no tracks to guide us. We passed on the ice not more than two hundred yards from the camp, but it was in thick woods so we did not see it. We went on about a quarter of a mile when I told the men to light a fire and keep warm and I would go to the place where the camp had been in the fall, three miles off, thinking probably they had not moved. It was now dark and I set off on the run, but when I got to the old camp found it had been abandoned months before. I turned back to where I had left the teams, but they had gone. I followed their tracks and later found them at the camp. The fire of our men had been seen and some of the men from the camp had come over to find out who was there.

Next morning I could not move in my bed. I never was so sore in my life. The teams had to return at once as the ice gave signs of breaking up. I called the teamsters to my bed and told them we would send an Indian guide who would take them back as I would have to stay until I got better. They positively refused to go without me, so I got some of them to rub me to get me limbered up, but it was a terrible job to get out of bed. However, we got started, and got through all right except getting the horses in the water several times.

When we got back to Midland I went to bed and it was several days before I was able to go home. It took me many months to get completely over the effects of the trip. Although I was able to attend to business my hand continued swollen and when I showed it to a doctor he told me it was broken.

The next year, 1880, I started to get out square timber for the English market, and became much interested in foreign trade. This interest has kept on increasing as the years have gone by. In those days it was quite an undertaking, and required considerable grit and energy to carry through this kind of business.

Two years later in following up this business I branched out, getting out this class of timber at Shawanaga, north of Parry Sound, and at the Serpent River, as well as on the Canadian side of the Lakes.

In the spring of 1881 I had an experience while visiting the camp at Serpent River. We sent in the men and supplies by a steamer in the fall and built a warehouse at the mouth of the river to hold our year's supplies. We boated supplies up the river to where the camp would be built, sufficient to do until the snow and ice made it possible to haul the balance with teams. They were cut off from all communication with the outer world. I started from Parry Sound in February with a team of horses to go to the camp, a distance of two hundred and fifty miles, which was made on the trackless ice right from Parry Sound, Ont. The time occupied was eight days. We slept out every night with the canopy of heaven for our roof. The weather was intensely cold, being below zero all the time, with the exception of the last day, when it rained. Not being prepared for such a change in the weather we had a miserable time of it. Sleeping out in winter in a heavy rain storm is anything but comfortable to say the least. The weather was so bad I left the team and teamster at our warehouse at the mouth of the river and made the last thirty-five miles on foot in the soft, slushy snow. It was hard walking and I was glad to get to the camp and the men were delighted to get news from the outside world. I had to give them an account of the principal events that had transpired since they left civilization.

I found the work had gone on successfully and we had a lot of fine timber on the ice ready to be floated down to Lake Huron, where it was to be loaded in vessels and taken to Kingston at the foot of Lake Ontario, then rafted and

run down the rapids of the St. Lawrence past Montreal and towed to Quebec; there to be again loaded into ocean-going ships for Liverpool, where it would be rafted and taken up the canal to Manchester and be sawn up into sizes for making cotton-spinning machinery. I spent three weeks looking over the various tracts of timber, but could not find the large sized timber required for this trade, namely twenty-one inches average diameter. For this reason I later on decided to shift operations to Michigan, where the desired sizes of trees could be found.

It was near the breaking up of winter and we had twelve more men than we needed to drive the timber down the river, so I started out with a team of horses and the twelve men intending to return as I came, on the ice along Lake Huron and the Georgian Bay to Midland. But the fates decreed otherwise. The first night, with considerable difficulty on account of the ice having melted in the recent spring weather, we got to Little Current on Manitoulin Island. I found it impossible to go farther with the team and decided to send it back to the camp and tried to induce the men to return as I could see we were in for a two hundred and fifty mile walk; and besides, there was the uncertainty of the ice remaining long enough to make the trip. They all decided that if I could go they could. I tried to explain that it was a case of "have to" with me, but they could return and work in the camp until navigation opened; whereas, I had various camps in Muskoka and Parry Sound districts, and it was necessary for me to be on hand to arrange about getting the logs driven when the water was high. This was of no avail—they were determined to get out to civilization. So I bought a few hand sleighs from the Indians and put on them what was actually required for the trip. Then we started out pulling the sleds on the ice. The third day out a severe snow storm raged and it was impossible to travel, so we had to lay up all day much against our wills, as we had hardly provisions enough to take us to Byng Inlet, which was much nearer than Midland.

Next morning we were up before daylight and ready to start, when to our dismay we discovered the ice had gone

out during the storm. There we were on the bleak and barren shore of Georgian Bay and had now to foot it through the trackless forest. We reached French River, which we had hoped to cross on the ice, but to our dismay it was wide open, the ice having gone out in the previous day's storm. So we had to cut logs, and after pulling them to the water made a raft of them. This took an entire day, and was attended with much danger. The first raft capsized and two of our men narrowly escaped perishing in the cold water. So we had to cut larger logs and make a stronger raft. The only tool we had was an ax. We secured the logs together with twisted withes. We all got across alive, and to our delight found the ice was still fast inside of the islands so we were able to make better time. However, our provisions were about exhausted, so I had all the flour baked into cakes and divided equally. It was just enough for a small meal. I told the men that the nearest civilization was a three days' journey and that each one should divide his cake into three parts, but nearly all of them ate it at once. I divided my share into three portions, each piece being about one inch square.

The ice was getting bad and several of us went through it. The nights were very cold and we suffered considerably—wet in the afternoon and freezing at night. The frost hardened the crust so that in the forenoons we had fairly good walking. But in the afternoons every step went through to the ice. I remember I had a pair of deerskin moccasins on, which kept the water out as well as a pair of socks would. The men got tired and it was only by encouraging and urging them on that we were able to make any headway, as many of them wanted to lie down and give it up. The last day before arriving at Byng Inlet I told them I would go ahead and get provisions sent back to them with Indians and for them to follow my tracks.

Before noon I came across an Indian wigwam. A squaw and two children were the occupants. She could not talk English or French so I made signs to her that I was hungry and tried to make her understand there were twelve more coming. I found she had about twenty pounds of flour, but

no meat of any kind, so she started to make slap-jacks. I did not eat, and encouraged her to make more until about three miles off our men were in sight. I took her out and showed her the crowd, when she held up her hands in despair. I put aside enough for herself and children for one day and made her understand I would send her plenty the following day, so she went to work and baked the balance of the flour, and, to my surprise, she went out into the snow and dug up a white fish three feet long and put it into a pot of boiling water, scales, guts and all. This was as sweet a fish as I ever tasted. In the meantime I saw the very slow progress of the men. I got some birch bark and made a big smoke; the effect was magical. When the men saw there was a habitation near I noticed that they immediately began to step out. When they came they ate everything in sight, but I prevented them from leaving the squaw without anything.

I almost had to use force to get them to start out for Byng Inlet Saw Mills, ten miles distant. We found a trail, which helped us out, and reached the mill at 10 o'clock that night where we got plenty to eat, and washed our hands and faces for the first time in two weeks. We looked more like negroes than white men. To say I was pleased does not express it, as a few days before it seemed like a physical impossibility to come out of our trials alive, and the responsibility was heavy upon me. I sent an Indian back with supplies to the squaw, four times as much as we had used of hers.

I was up bright and early the next morning, as I knew I was urgently needed to start the drives. I had a camp at Shawanaga, and started out on snow shoes that I borrowed. The distance from Byng Inlet to Shawanaga through the woods was forty-five miles; no roads, not even a trail. Before dark I was able to strike an unused Government road which led to our camp, which I reached after every one was in bed. I looked over this timber and works the next forenoon. (We were getting out what was called Tonawanda

timber, which was the full length of the tree; and in summer it was towed across Lake Huron to Detroit, where I sold it.)

I took one of our teams to carry me to Rosseu, which I reached after midnight. The winter roads had broken up and I could not get any one for love or money to take me to Bracebridge, Muskoka district, my objective point, so I started out again on foot for a thirty-five mile tramp. The mud was ankle-deep in places, and with dirty clothes and deerskin moccasins I certainly was a tough looking tramp. The next morning I was busy hiring men for the drives for the various camps, apparently none the worse after as hard an experience as few lumbermen ever had, even in those days when they were used to hard knocks.

It was a survival of the fittest, and only the strongest were able to come out of it alive.

Chapter Three

TRANSFER TIMBER OPERATIONS TO THE UNITED STATES

I decided at this time to give the foreign trade the preference, and found the most desirable timber was of a larger size than could be found on the Canadian side. So on July 6, 1882, I moved to Michigan, making headquarters at Marquette, and there got out fine large timber for the English market.

On the 13th of July, 1882, we started to build a sawmill in the forest at a place afterwards called Dollarville, to manufacture lumber out of logs that were not suitable for the foreign trade. This mill had a long and successful career, and manufactured lumber for over thirty years. After running it five years I sold out.

While I was looking up a mill site, as well as timber for the mill at Dollarville, the railroad was under course of construction at this point. It was a wild, undeveloped country at that time.

With a man to help me I went to the end of the railroad and camped in a house kept by a Mr. O'Brien and his wife. They had gotten a barrel of whiskey to celebrate Christmas and New Year's and it was about empty, but they were to have a last blow-out that night. When I went into the kitchen on my arrival, Mrs. O'Brien was busy grating blue stone and putting it into the whiskey barrel. I asked her what in the world she was doing, and she told me they had all made up their minds to have a big last drunk that night, and as she had found there was not enough whiskey she knew there would be the dickens to pay, and the only thing she had to make it out of was pepper and blue stone, with water and what little whiskey was left in the bottom of the barrel.

I said we had better go and tent out as we had all the outfit with us, and I did not want to be in a place like that, but she said it was a terrible, cold night and on no account to leave as we could go into a lower bunk in the corner and no harm would come to us. So with her assurance we remained. The men, about twenty-five of them, came in at dark and had supper. They were a very quiet looking lot of fellows, mostly Irishmen.

After supper they started drinking. My man and myself went to bed with the ground for the bottom of our berth where there were several roots and small stumps that made it anything but level or soft. However, we spread out our blankets and as we were tired we were soon asleep. About midnight we were awakened by a terrible row. The lamp was knocked out and the big stove overturned and smashed to pieces, and the contents went flying all over the shanty setting it on fire in many places. The men all made a rush for the door and got out into the snow. As it was many degrees below zero and we were in our bare feet we were in a bad way. The drunkest ones came out into the snow to get more room to finish their fight, and the more sober ones to throw snow and water on the burning shanty. So we got to work and assisted in saving the building. Rolling in the snow had the effect of putting an end to the fight, and quiet was restored. We had breakfast and were glad to get ready for our departure, having seen enough of the results of Mrs. O'Brien's blue-stone whiskey combination. While we were packing up our provisions I could not find the flour we had. I asked the landlady if she had seen it, and she replied, "Sure enough I saw it; I got short and have used it all up!" So we were forced to return that night again, but supplies had arrived that day so we replaced our flour and went on our way rejoicing to sleep in the snow which we preferred to O'Brien's hostelry.

After this I examined the timber in the northern part of the Ontonagon River country. I walked through the woods to Florence, Wisconsin, having two Indians with me, a trip which took us three weeks. That whole country at that time was unoccupied, not a person living in it. Now it is

quite a farming and agricultural district, and has turned out to be the great mineral belt of Michigan.

On my arrival in Michigan, along with my own business, I started up business for the British Canadian Lumber Company. To say I was busy does not half explain it. To start a corporation of the magnitude of this concern, as well as attending to my own affairs, was a great undertaking.

After I moved to Michigan I found there were large tracts of Government land for sale at $1.25 an acre. I invested every cent I had in this land, and it proved to be a good investment.

As previously stated, I left Scotland in 1858 and did not return until 1884, when I went back partly on business and partly to see my old home. A few of my friends were still alive. I was much interested in visiting my mother's grave in the churchyard at Falkirk.

In looking over the town I found they had no public library although it was quite a large place. No town in the United States the size of it would have been without a library. So, while I could not very well spare that amount of money out of my business, I strained a point and gave them enough to buy books to start a good sized library. A few years later Mr. Carnegie gave them a building, which made the library a great success.

We left Scotland on the 10th of June, 1884, and visited the first electric railroad ever operated. This was at Port Rush, and ran to Bushmills in the north of Ireland. After we had gone about three miles we found a car stuck and they could not get it to go either backwards or forwards. I was very anxious to see it under operation, and asked the brakeman and conductor how long before they would start. They said it might be an hour and it might be a month, but they had sent for Sir William Thompson, who was the only man they knew of who could make it go, and when he came they thought he would immediately get it started. This proved to be the case as it took him only a few minutes to get it going. What progress has been made in electricity since that time!

I returned home in July completely recovered in health. In fact, this trip showed me that all that ailed me was that I had been working too hard, and if I could only have listened to reason and not over-taxed my brain and physique, I need not have taken a trip for my health. In February we took a trip to New Orleans to get out of the intense cold of the Lake Superior country.

To show the great difficulty that the railroads operating on the upper peninsula of Michigan had to contend with, we got thirty miles from Marquette when the train stuck in the snow and remained there for a week. Every winter the snow lay very deep on the upper peninsula, and the terrific storms sweeping across Lake Superior made it difficult for both lumbering and railroading.

On the 4th of July, 1883, at Dollarville, it being the first national holiday for the village, we had a celebration with the usual result in all backwoods places, the men got filled up with bad whiskey and there was, of course, a free-for-all fight. Two of the worst fellows were arrested, but there was no lock-up so the justice of the peace came to me to know what to do with them. I saw a box car on the siding so I said, "Put them in it and lock the door." The next morning the justice reported that a freight train had taken the car to Marquette, one hundred miles distant. The sequel to it was that the fellows woke up in the morning and a brakeman opened the door. They looked around and everything being strange the first question they asked was where they were. When told they were in Marquette they took to their heels and disappeared in the town, so we had a good riddance.

I continued lumbering on the upper peninsula of Michigan until the good, large timber was getting scarce and hard to find. During those years I got out from eight to ten ship loads for England, besides ten to fifteen million feet of logs which I had sawn into lumber. Part of it was sold at Tonawanda and part at Chicago. The business was profitable as long as I kept at it, but the profits were getting less every year.

We remained in Michigan until 1888. For a few winters previous I had found the severe cold weather was telling on my health, and it became necessary to go to a warmer climate during the severest part of the winter.

On one of these trips we visited California and decided we would finally settle there. So we made our home in San Rafael, making our business headquarters in San Francisco.

I find in my Diary for 1887 the distance I had traveled, showing the amount of hustling it was taking to keep my business going. During that year I traveled 31,141 miles; 29,100 by water, 1050 by rail, and 991 with horses. This was considerably more than once around the globe. That year, needless to say, I was glad to be able to spend Christmas and New Year's at home.

Although we moved to California to live in 1888 it took three or four years to finally close our business in Michigan and to sell the land, which amounted to over twenty thousand acres.

After arriving in California, my brother and I bought with Mr. Westover what is called the Meeker tract in Sonoma County—the largest tract of redwood remaining in that county. Here we started lumbering and manufacturing at Guerneville. A part of this land was later sold to the Bohemian Club, of San Francisco, which they still use for their Grove. I later sold out my interest to my partners.

In 1893 I started up a mill and lumbering establishment at Usal, in Mendocino County, California, and ran it for six years. During this time I found it very difficult to get vessels to carry our lumber so I started investing in vessel property. I contracted to get several vessels built and also became interested in a large mill at Mukilteo, near Everett, Washington, to supply cargoes for our steamers to carry to China and the Far East.

On one of my many eventful trips to Usal I experienced what was probably one of the closest calls I ever had. I went on the steamer "Newsboy." When we arrived off the wharf at Usal it was very rough, the sea breaking outside

the wharf, making it impossible to effect a landing. We kept out to sea for the night and next morning approached the shore and found the wharf had been totally destroyed during the night. It was no use waiting there, so I decided to go to Fort Bragg, a nearby port, and endeavor to get a cargo there.

As we approached Fort Bragg a signal was run up on shore that it was too rough, and for us not to attempt to make port. Later in the day the sea moderated some and another signal was run up that we might try it. When we got close to the entrance we found a terrible sea breaking on the reef, and a strong current swept us past the entrance and on to the reef with a terrific crash. The next sea swept over the ship, smashing in doors and windows, so it was evident it was only a question of two or three more seas when the ship would be smashed to pieces. We had not long to wait, for in a very few minutes we could see a gigantic wave approaching us which we felt sure was to be the last of the ship and crew. Every one got hold of some part of the ship to prevent being washed overboard as it went many feet over our heads, but, strange to say, this one was so big and irresistible that it lifted the steamer completely over the reef and landed us in the comparatively still water of the harbor. The ship was leaking badly, but we managed to keep her afloat, and both steamer and crew were miraculously saved.

In 1901 we made our first venture in the China trade with the steamer "Arab," capacity of six thousand five hundred tons, which we had bought. I found that if we were going into that business it would be necessary to have an organization, as the first trip the steamer made she had about half a cargo at a very low rate, which did not pay, thereby losing money at the start.

I might say here, the early training I received in Scotland has stuck to me all through my life, and when living in the lumber camps, amongst the roughest of the rough,

having no opportunity of reading the Bible in quietness, I always made it a practice, on Sunday, to take my Bible out to a quiet place and read it, even in the coldest weather. Ever since I have had the opportunity of being alone in a room, I have always read a passage out of it every morning, and amongst other things, attribute much of my success to the teachings received from this daily reading.

Chapter Four

FIRST TRIP TO THE ORIENT

On the 8th of July, 1902, Mrs. Dollar and I sailed on the then crack steamer "China" of the Pacific Mail fleet. We had an interesting but uneventful trip until we reached Yokohama. We also visited Tokio and Kobe.

The trip from Kobe through the Inland Sea was beautiful. The thousands of small islands, all more or less wooded and many of them cultivated, with the hillsides terraced to the top, gave a fine scenic effect. The sea is well named. Sometimes it is many miles wide, then there are narrows less than a half mile across. The formation is volcanic, many of the hills being very steep and sharp.

INLAND SEA

The thing that impressed me most after we sighted the coast of Japan was the number of boats engaged in fishing. The whole coast was alive with them. At night the lights were so numerous it looked just like a lighted city. Many times I could not believe that they were not cities, there were so many boats in this Inland Sea. At any time we could count several hundred, but when we came to Shimonoseki Straits they were so numerous the steamer had to slow down "dead slow" and keep blowing the whistle continuously to get a passage through them. They were of all shapes and sizes from the old junk, made many years ago mostly of bamboo, to sanpans fifteen feet long. The junks have high bow and stern twenty to twenty-five feet out of the water with a freeboard of from three to four feet amidships. Then there were lots of fore and aft schooners, not bad looking but too dumpy, too much beam for their length. The sampans are four to five feet wide, three feet deep, one or two masts and a long pointed bow eight to ten feet long, which is of no use.

This blockade continued past Moji and Shimonoseki, opposite each other, near the outer or western end of the Inland Sea. There we saw a great many steamers, mostly English tramps, either loading coal cargoes or taking bunker coal. Coal is about the only business going on there.

Nagasaki is typically Japanese, with a population of probably thirty to forty thousand. We climbed over two hundred steps to a temple on the top of the hill overlooking the town and harbor. This is called the "Bronze Horse Temple," there being a large horse of bronze in the square. Some deer and other animals were there too. From this elevation it looked as if the town was built solid, and we could see nothing but roofs, not even the sign of a street. They have a good water works and the sewers are all open and made of good masonry.

No houses have more than two stories, and most of them have only one. The stores are very small, a large one would be fifteen or twenty feet by thirty feet. The streets are from ten to twelve feet wide and crooked, but very well paved, mostly for jinrickshaws and hand carts. It is a rare sight to see a horse, and then they are very small; there are some oxen, but they carry their loads on their backs. The men are also beasts of burden.

Before leaving Nagasaki we took on twelve hundred tons of coal in seven hours. There were about four hundred men and women engaged in the work, and as it was all handed up in small baskets passed from one to another, the work went on very fast.

When we passed out we noticed that, like all Japanese ports, it was fortified on every available point, evidently getting ready for the inevitable war of European nations in the Far East.

We crossed over the China Sea to Shanghai. The steamer had to lay off Woosung at the mouth of the Whangpoa River, Shanghai being twelve miles distant up the river. Woosung is at the junction of the Whangpoa with the mighty Yangtsze Kiang, and at this point the river is several miles wide. The channel to Shanghai is narrow and crooked and quite shallow in places, caused by the constant washing in

of the banks. There has been considerable talk of changing this, and making a good, straight channel with sufficient water. (All this has been done, and now a vessel drawing twenty-five feet can go direct to Shanghai at any high tide.)

SHANGHAI

At the first sight of Shanghai I got the impression of its being a great commercial city, but on closer inspection I came to the conclusion it required a great deal to bring it up to that standard. (All this has been accomplished in later years.) The old city proper is walled in and is closely built up of mostly small-sized buildings, narrow, crooked streets and containing a mass of humanity. Then there are what are called the Settlements. Farthest up is the French, next the British, and then what is called the American.*

But to come back to old Shanghai. Along the river side and extending back a half mile going towards Woosung is what is called Hongkew, which was the American concession and where a large Chinese settlement has sprung up. Across the river, steamship companies were just making their first moves to get wharves and terminals, but little had been done at this time. This is called Pootung.

The name, Shanghai, means a city by the sea. At one time the waters of the China Sea covered the present site of the city. The land is an alluvial soil, perfectly level, and cut up by innumerable small creeks, most of which are now filled up. The largest, Soochow Creek, divides what was the American concession from the British concession. The Yankinpang, another creek which has filled in, separates the French and British concessions. The old Chinese city was

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*Unfortunately, the American Government did not have the foresight nor the ordinary far-seeing business gumption to hang on to their site, but let it slip through their fingers. And now, in order to remove our Consulate from a miserable back street, our Government had to buy a site in 1916, and had to pay $300,000.00 for what they had had a few years ago for nothing. The British were looking to the future commerce of China, and retained a beautiful site of fifty acres for their Consulate right in the middle of this great commercial city. Our Government is slowly waking up to the fact that to be a truly great nation we must have foreign trade and lots of it. We used to think we were sufficient unto ourselves, but this is past and a new era has begun.

PALACE HOTEL—SHANGHAI

TECHNICAL DEPARTMENT BUILDING—SHANGHAI

surrounded by a wall, part of which has been taken down and made into a wide street.

(Back of each settlement is the residential section, but since that visit, sixteen years ago, it has grown beyond recognition. What were fields are now filled with beautiful homes and well paved streets. Since that time street cars have been introduced. The population has nearly doubled, as now there are about one and one-quarter million foreigners and Chinese. But it is in commerce that the greatest progress has been made, and I am sure the most sanguine could not even come near to estimating what it will be in the next fifty years.)

CANTON

At Canton the foreigners all live on the island or Shameen, as it is called, for protection. Two bridges connect it with Canton, and the gates are shut at sundown. The Victoria Hotel is the only one there. The lower part of the island belongs to the French and the English own about two-thirds of the upper end, which is all owned and occupied by the consulates and business houses of various nations. The streets are very wide—about one or two hundred feet—but no part of them is used except the concrete sidewalks as there are no wheeled vehicles and no horses either on the island or in Canton, and the grass grows quite high in the streets. The houses are well built of brick or stone and are surrounded by many shade trees.

Gunboats, small war ships and light draft cargo steamers anchor in front of the island on the river side. There is a depth of about eighteen feet of water here, but a great deal of the freight is carried from and to Hong Kong in Chinese junks and other craft.

Early in the morning, with a guide, we crossed the bridge over the canal between the island and the city. We each had four men carrying us in chairs. The streets of the city are all about the same, six to eight feet wide, and straight only for about one hundred feet at a stretch; some have gradual bends and some very sharp curves. The houses are generally of bamboo, having one or two stories, and bamboo matting is stretched across from the top of one house to the opposite one, shading the sun from the street, so that in passing through the city one rarely sees the sun.

The streets are so narrow there is barely room to pass two chairs and, as everything is carried on men's shoulder's, the streets are very congested at times and it is quite difficult to get along, but the carriers are expert at crowding, and so manage to push through. We met men carrying almost every conceivable thing: logs, stone, brick, mortar, goods for export, and goods imported; we also met a funeral with a band and men carrying the great heavy coffin, which was like a log of wood.

THE CITY OF THE DEAD

A very interesting sight was the City of the Dead. It is all walled by long rows of one story buildings, containing apartments mostly twenty by ten feet in area—some thirty by fifteen feet. Each apartment contains one coffin only, of people who have died many years ago. The coffin rests in the middle of the room on a stand, beside which there is a table and chairs, with tea and cakes replenished every morning, and a light is kept continually burning for the spirit when it returns. These are only the abodes of the very rich dead, and it is all beautifully kept up through all these years. The coffins are of the most beautiful workmanship I have ever seen, many of them being of ebony, polished to the highest degree. They are mostly round and resemble the cut off a log.

We took lunch at the five-story pagoda which is on a hill at the City Wall. The City Wall is about thirty feet wide at the top, one hundred and fifty feet at the bottom and thirty feet high, in some places much more. The pagoda overlooks the entire city, and is about one hundred and fifty feet square at the bottom and sixty to seventy feet at the top, each story being about fifty feet in height. It is very much neglected, and, like the Empire, is fast going to decay. The fortifications on the wall and at this place would have been good one hundred and fifty years ago, but are now of no use. The cannons are on wooden carriages, and many have rotted away until they have fallen down.

Looking down from the pagoda the river is very pretty, and many of the canals that run through the city can be

seen, but the streets, being so narrow and crooked, cannot be seen at all so that it looks like one mass of roofs, but the foreign settlement looms up better. The French church and the pawn shops are the only remarkable buildings. The pawn shops are square, stone buildings, say thirty to fifty feet square and six or eight stories high, with small windows. They look like watch towers. In the number of joss houses and temples this city is well supplied. I cannot give an idea of their number but we were continually passing them all day, from the small stone altar, to the great gorgeous ones; our own San Francisco Chinatown joss houses resemble them, on a small scale.

I was interested in the lumber yards, of which there are a great many, which mostly supply wood for coffins. It takes a good big log to make a coffin as they are round and hollowed out like a dug-out canoe. You can imagine the job it would be for men to carry the logs through the narrow, crooked streets to the various yards from the river or canals, where they are sawn into lumber by hand. If the lumber must be dried, it is spread out on the roofs of the houses in the sun. American lumber was only conspicuous by its absence.

Previously the people had not met many foreigners and were not at all friendly, as we could see by the looks of disgust on their faces how they hated us.

It was not safe for us to stop unless we got inside of closed doors. Whenever we halted on the streets we could only stop for a few seconds as the crowd would immediately gather from all directions, and we would be jammed in and could not get out. Mrs. Dollar's hat was the star attraction for the women and children wherever we went.

SWATOW

Dropping back to Hong Kong, we left that city on the Japanese steamer "Auping Maru" for Swatow and Amoy. We were the only Americans or Europeans on board. The entrance to Swatow is among rocky islands, with channels somewhat narrow and crooked. The town is up the river about three miles from the ocean, but the river has a good

width. Before coming to an anchor the steamer was surrounded by a multitude of small sampans of all kinds and descriptions, all propelled by being sculled when coming at full speed. Some of the more adventurous ones, runners for Chinese boarding houses, came on board in this way: they had long bamboo poles with an iron hook on the end and they would hook this on the iron fife rail and come on board by putting their feet against the side of the ship and climbing up over the rail. It was quite a sight, and when the steamer slowed down we were fairly crowded with them. I should say three hundred came on board, all clamoring for patronage, either to go ashore with them or to go to their boarding houses.

When we made fast to the company's buoy, about five hundred feet from shore, all kinds of peddlers came aboard, even women trying to get clothes to mend. We had a large number of Chinese passengers and a lot of freight to put off. After breakfast we went ashore and through the town. The town is occupied by warehouses (Godowns, so called) and the few European offices, which are generally enclosed within a high stone wall.

Swatow has somewhat the appearance of a European town, the style of houses being somewhat of that kind, although the streets are narrow and crooked with the usual smells and dirt. We saw a temple in which there was some very fine carving, also some bas-reliefs on the wall enclosing the place. They were very large and represented dragons and mythical deities, mostly of pottery painted in gaudy colors; the place was very dirty, and, to add to that, a lot of hogs were roaming around the court yard.

They are improving the water front and building a sea wall at Swatow. There are many steamers running in here from various parts of China and several from Singapore. When we were there a large four-masted steamer sailed for Java with eighteen hundred coolies. We took a lot of liquid indigo from here to Amoy.

AMOY

The entrance to Amoy, like Swatow, is among islands and is narrow and crooked. The city is about seven miles

A CHINESE PAGODA

up the river, which is fairly wide and of good depth. Our vessel lay at the Caps buoy, four hundred feet from shore. A great crowd came to meet us here as at Swatow. Amoy has the name of being the dirtiest city in the world. There are no wheeled vehicles of any kind here, and no chairs except private ones, so we had to walk. We started out to see the city, and got along all right until we progressed well into the heart of the place. In a city like San Francisco it would be an easy matter to get out, but not so here where the streets are not more than six feet wide and are covered over with bamboo matting to keep out the sun, and where they come to an abrupt ending with a stone wall. (This is done to keep the devils from running straight through the town.)

We wandered around without knowing where we were going, and unable to make inquiries as none of the natives understood a word of English when, in our worst straits, one of the Chinese stewards from the vessel came along. He could talk a little English, and after we made him understand our situation, he got an old man to pilot us, with instructions to take us through the best part of the city. We found, to get out of our fix, we had to pass through a gate and up some flights of stairs, which accounted for our inability to find our way about.

It seems strange to go into a store and be served by a man having nothing on him but a pair of pants and very short ones at that; there are no sales ladies out here.

Children until they are six or eight years old have nothing on them at all, but the girls and women are very modestly and generally neatly attired and their hair is always done up neatly. It was also strange to see us going along with an umbrella to keep the scorching sun from us and note the natives going along not only bare headed, but with all the front part of their heads shaved clean. The sun does not seem to have any effect on their naked bodies.

This is the great tea exporting port. Most of the tea comes from the Island of Formosa, twelve hours' steaming from here. It is all brought over in small steamers of less than one thousand tons register, and put in warehouses to

be repacked and reshipped to nearly every part of the world. A great deal of it goes to New York.

(Since the foregoing was written, what a change has taken place. The tea of Formosa is all exported by Japanese and shipped from the new seaport of Keelung, which place was unknown at that time. Tam Sui was then the largest port of Formosa, and was only for small vessels drawing not more than twelve feet of water.)

SHANGHAI

From Amoy we sailed for Woo-sung and from there returned to Shanghai.

One peculiarity of Shanghai is the wheelbarrow in use. The wheel is about three feet in diameter, and the body is larger than our largest ones. The coolies carry passengers in these, sometimes three people on each side, their feet hanging down. The man has a strap over his shoulders by which he carries the weight. They carry immense loads of merchandise, bricks, stone, furniture, and, in fact, anything. I saw one man wheeling a barrow with a hog on one side and a man on the other. (Only the Chinese patronize them; the whites use the rickshaws.) There are no chairs but a great deal of merchandise is carried on bamboo poles with two men.

The buildings are mostly of cut stone and some brick, and the streets are substantially built, which gives the city a very solid appearance. One sees a great many European houses and blocks going up wherever one goes. The European troops are here in great numbers and large barracks are occupied by them. Each nation has a place of its own, and it looks as if they intended to stay.

TSINGTAU

We left Shanghai for Tsingtau, but when we arrived off the latter port it was blowing such a gale we were unable to land for some time. When we did get ashore we took rickshaws and looked the town over. It appears the Chinese had a town or village at this place, but in 1899 three German men-of-war anchored here and sent their crews ashore to invite the townspeople to move off about two miles. They saw there was no use to refuse, so their town was leveled to the ground, nothing being left except a temple. The Germans then laid out a fine city with wide streets, and in the

length of time they have occupied the place they have done wonders. The German government made the streets and have quite a city of modern houses, mostly large three-story blocks of stone and brick. To date they have expended over three million dollars. No Chinese are allowed to live in this city, but they have quite a town a short distance off. The population is entirely German and the trade will be exclusively for the Germans.

There are two harbors. The town is on a peninsula with a harbor on each side. On the north side they were building a breakwater for deep sea ships, which would take three years to complete. The strange thing about all this great outlay was that there was no export trade at all—all import and nothing going out. The Germans had built one hundred and twenty miles of railroad and were still building. They also had a few good coal mines from which they expected to get coal in a short time. So far the whole place was just a great military and naval camp, and the government's money was keeping the whole thing up. This may suit the German taxpayers but it would not go long with Americans. No one seemed to know if there was to be much commerce or not. Some hoped if the railroad were extended to the Grand Canal, which runs from Hangchow to Peking, that they might tap some trade, but the country through which the railroad passes is non-productive.

(Many changes have taken place here since this visit. Under almost insurmountable difficulties the Germans kept steadily at it with one object in view—to get there—and they did get there, as out of almost nothing, to their credit be it said, they built up a great trade. And when their position was assured, the war with the nations of Europe gave Japan an easy opportunity of ousting them, and not only taking Tsingtau, but of taking possession of practically all this part of Shantung Province. Looking at it from the German side, it is certainly very sad and discouraging to the very enterprising Germans who worked night and day to make a success of this enterprise and now see it handed over to the Japanese. The only obstacle in the way of the Japanese is Weihaiwei on the Shantung promontory, which is occupied by the English and which to Japan must very much resemble the proverbial wart on the man's nose.)

CHEFOO

We were ashore all one day at Chefoo. The German, English and American Consulates are on a high point and are pleasantly located. The grounds are well kept. The

business part of the city is at the foot of the hill, commencing at the harbor and running across the narrow peninsula to the ocean, where there is a fine, sandy beach and a very good European hotel, club houses, etc. Steamers of fifteen feet draft lay a quarter of a mile out, and those of twenty-four feet would have to lay off a half mile, but there is a very good harbor for small boats, junks, etc., and there is a great number of them, I should say running into the thousands.

The Chinese customs have a fine stone wharf for small boats to receive and deliver cargo. On this wharf there was an enormous amount of merchandise of every kind, some going out and some coming in. The waterfront is a very busy place. A great article of export to other ports of China is bean cake. It is bean from which the oil has been pressed out and the residue pressed into cakes about the size and shape of a large grindstone, which is used as a fertilizer. Silk is extensively manufactured here, but it is not the finest kind. The mulberry trees are very scarce and the cocoons feed on the oak leaves which produces a coarser kind of silk called pongee.

Not much lumber is used here, but what there is of it is all native wood brought in logs hewn on four sides, from Northern China and Korea.

This city is not far from the new mouth of the Hoang-ho or Yellow River, of whose disastrous floods we have read so much. Its mouth has changed several hundred miles in a few hundred years. Now it empties on the north side of the Shantung peninsula, though it has been known to empty on the south side, many miles apart. Down this river comes the great commerce that keeps up Chefoo.

I do not think that I have explained that the Customs of China are under the management of the English. The Chinese could not trust their own people for fear the officials would steal the money. They claim that under the present arrangement the Government gets every cent paid in, it being honestly collected and paid over. The Chinese Government has no government post or mail service. A few companies in various cities carry letters for short distances,

but there is no general mail in China. The European nations each have a postoffice of their own, and you can mail your letter in a Japanese, English, German, or French postoffice, and a letter coming in is sent to the postoffice of the language in which it is written. The United States has only one, located in Shanghai. This is causing considerable confusion. The Japanese, in Japan, have a very good system, the same as ours.

(Since this was written, the Chinese have adopted the modern postoffice under government supervision, and it is a success.

The following figures show how much of a success:

In	**1903**	**the**	**postoffice**	**handled**	**20,000,000 letters.**
"	**1906**	"	"	"	**160,000,000** "
"	**1908**	"	"	"	**225,000,000** "
"	**1909**	"	"	"	**275,000,000** "
"	**1914**	"	"	"	**549,000,000** "

Newspapers rose from none to 143,000,000.)

We got chairs and went through the town. There are no wheeled vehicles here except wheelbarrows and they like to hear them squeak, so put no oil on the gudgeons on purpose, and when several of them are being wheeled together they make unearthly sounds. The streets are fairly well paved, but a little rough although a little wider than in most Chinese cities, being from eight to ten feet wide, full of lanes, court yards and alleys.

We wanted to go to a wholesale silk store. First we had to go through a grocery store into a courtyard with beds of flowers and shrubs, along the sides of which appeared to be restaurants; from here we went through an alley, three feet wide and crooked, into another courtyard which was paved, then through another three-foot alley into a small open square twenty feet each way. On one side of this square was the store. This will give an idea of how business is done.

In one part of the city there is a creek which, at this time of the year, is nearly dry. The houses are built right up on the bank, and they use the creek bed for a street, with a small filthy stream running through the middle of it. There are a great many native houses which are built mostly of stone, small but very substantial. The houses

have to be warm as they have plenty of cold weather and the snow often lies on the ground for months.

We visited an industrial school conducted by a Mr. McMullan independently of any society. There seemed to be about fifty girls all learning Chinese and English, and half of their time they employed in making silk lace of very beautiful patterns. Then there was a separate part for boys where they made brushes, and all the material that was put into these two products was grown in this vicinity.

TONGKU

We landed at Tongku, which is a new railroad town at the mouth of the Pei-ho River and opposite the town of Taku. These two places were destroyed at the time of the Boxer trouble and are just being rebuilt. The houses are mostly plastered on the outside with river mud, giving to the place a yellowish appearance, the same color as the river. The Taku forts are now just hills of sand. All round this are the flags of the various nations, generally a bamboo pole stuck in the ground with a flag on it; Japanese, German and Russian flags are very much in evidence. Whether they claim those parts or not, no one knows, but no one dares to take one of the flags down.

The railroad station looks like a boy's game. There are five or six sentry boxes on the platform with a few soldiers in each, with their national flag over them. The English were running it the day we went up to Tientsin, but the next day the Chinese took possession, the sentry boxes disappeared and the yellow flag of China was over all the stations. The reason of this was that the Boxer War had just come to an end a few days before, when the country was under martial law, and now it was being turned over to the Chinese Government—really these were very troublous and exciting times, and the ravages of war were in evidence on every hand.

PEKING

On the way to Peking we passed through a very fine country, level all the way, most of it like gardens. Everywhere there were evidences of war—ruined houses, many of

them riddled with bullet holes. The whole country seems to have been laid waste. The railroad was not allowed inside the wall and, as all the gates were shut at sundown, and, as we arrived after dark, no Chinese could get in, but they opened a small door in the big gate to let the foreigners in. We got rickshaws inside the wall and went to the Hotel du Nord.* The entrance was a narrow passage way protected by a big gate or door. The hotel comprised twenty-two small buildings walled in and all of one story. In the building, where our room was, there were only two rooms.

Peking is different from any Chinese city we have seen. It is laid out like a modern city with good wide streets and all at right angles, but they are not paved, so the dust was as bad as the mud would be in winter. There are lots of wheeled vehicles, mostly carts. These have no springs and the occupants sit on the floor of the vehicles on matting. Generally, they have a cover, and veils can be drawn so one inside cannot be distinguished. Donkeys are much used for riding. You see some the size of a big dog, often with a big man on it and a coolie running behind with a whip to make it go. The carts are queer looking things, having wheels built up and the axles projecting outside of the hub

*In case an erroneous idea may be conveyed here as to the hotels of Peking, I will explain that at this time, sixteen years ago, the only hotel for foreigners was this one, and it was a hard old place at which to stay. At the present time the Hotel de Wagon Lits is as good as can be found anywhere in the Far East, it having several hundred rooms. There is also the Hotel de Peking, which is quite good. Of course these would not compare with the skyscrapers of New York, but they are good enough.

Peking has undergone great changes for the better since those days. Street improvements, sewers, buildings, and, in fact, everything has gone ahead to meet the advanced civilization. Just one year before we were there the Empress Dowager had decreed that all Christians should be put to death.

At the present time, just think of the change that has taken place. When the President, Yuen Shai Kai, opened the Peking Young Men's Christian Association he told Mr. Mott if he would remain in China he would assist him to get a Young Men's Christian Association in every large city of China. The far-seeing Confucianists see that the evangelization of China means safety, security and a certainty of China becoming a great and strong nation. The handwriting is on the wall.

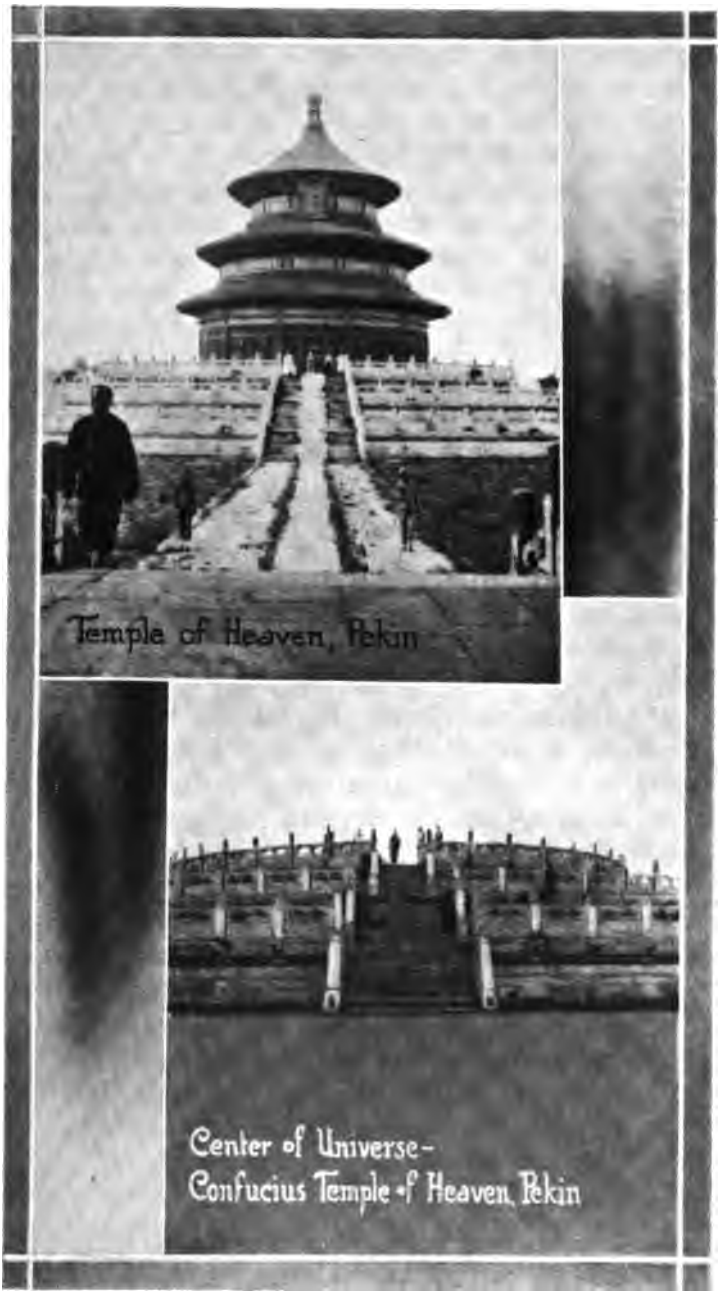
about ten inches, so that in passing one it is not well to drive too close to it. We also saw a freight pack train of camels all loaded. There were a great number of them ready for a journey of many hundreds of miles.

The Chinese here are very different from the Cantonese. They are much larger and darker, and do not talk the same dialect. The city is walled off into many different parts: the Chinese City, Tartar City, Imperial and Forbidden Cities, etc. Like all Chinese cities there are no sewers, and the water is drawn from wells and delivered to the houses in wheelbarrows and carts. From the drum tower, where the drums are sounded for the opening and closing of the gates, a very fine view of the city can be obtained.

The Temple of Confucius is a very fine building. There were about three hundred priests here, and when we visited it they were all repeating passages from Confucius, keeping time with several drums and at intervals to the music from a band which we could not see. All their heads were shaven, and they wore peculiar cocked hats when outside. At this place there is a statue of Confucius seventy-five feet high by thirty feet wide. This temple has many buildings and large grounds with beautiful trees. It is a beautiful building, highly ornamented in Oriental style, but has no idols in it.

We next visited the great Temple to Buddha. This, on the other hand, had many idols and images of various kinds. The largest and principal one is of three women all in gold leaf. The grounds and buildings are very extensive, and there are many gates to go through before you reach the "Holy of Holies," but it is not well kept up and is out of repair.

In the walled city we passed around the Imperial City. No one is allowed in there, and the Forbidden City is inside of it, but from the drum tower we got a fair idea of what it is like. There are many gates and walls to go through to get to the palace, around which there is quite a forest of trees and a beautiful large lake. The outer wall is also surrounded by a moat of water about one hundred feet wide.



Temple of Heaven, Pekin

Center of Universe–
Confucius Temple of Heaven, Pekin

On the south side of the city we went through the legations and foreign houses. Great work was going on building new and much better houses than the old ones destroyed by the Boxers. We saw many effects of the siege in shattered walls and houses full of bullet holes.

We passed through the outer wall and went to see the Temple of Heaven, which is about three or four miles outside of the outer wall. A very wide, partly paved road, which is much out of repair, leads out past it, being one of the principal thoroughfares from the east. The grounds are enclosed with a high stone wall, which is three and one-half miles in circumference. Here again there are many gates to go through, and a Chinese gate is no ordinary affair, being a very large building highly ornamented with carving, etc. Then we came to a large marble platform about two hundred by four hundred feet, raised about twenty feet from the ground. Once a year the Emperor comes here, and changes his clothes in a tent erected for the purpose, then goes along a roadway two hundred feet wide and one thousand feet long, all marble (all the buildings, pavement, etc., are of white marble) to the altar of Heaven. This is a very fine building over one thousand years old, having a beautiful dome all painted when it was built and never having been touched since, and looking as though it were done yesterday. There is an altar at which he kneels and prays for himself and family, then he goes about one thousand feet further to the Temple of Heaven and prays for his people and the nation. Part of this building was burned down a few years ago and rebuilt. Many of the gold ornaments which had been there were stolen by the Russian soldiers. The doors are massive and are fastened with large nails on the outside of which are gold washers, three inches in diameter. The building is just a large circular edifice supported by pillars, the roof being an immense dome. The decorations and paintings are beautiful, and the gardens are arranged beautifully also. There is a building called the Throne Room in which the Emperor receives the principal men of the kingdom after the ceremony. There is

also a palace in which he sleeps all night, and then he leaves for another year.

On the way back from the city we met many camel pack trains, mule trains, people in rickshaws, on horseback, bicycles, on mules and asses, in wheelbarrows, in carts and sedan chairs, and thousands on foot, all carrying some kind of load, and the dust from that mixed multitude was blinding.

TIENTSIN

Tientsin is twenty-five miles by rail from Taku and is eighty-seven miles from Peking, at the mouth of the Peiho River, and is the seaport for Peking and of great commercial importance. It is forty-seven miles by water from Taku, owing to the crooks of the river. For some time the river has been silting up, but they have two dredgers at work and vessels of ten feet can reach this city at high water. The river is so narrow we had to come down two miles stern first before we found a place wide enough to turn round, so navigation is rather difficult—there were two pontoon bridges to come through. Most of the freight comes up the river in lighters and junks. The city was about demolished by the troops, and they are busy building it again. The wall around the city was destroyed and in its place they have built a fine wide street and a good sewer.

(It must be remembered that this short description was written a few months after most of the city had been destroyed by the Boxers and the allied troops. The pontoon bridges were replaced by substantial, permanent structures, and the river has been straightened and deepened so that navigation for vessels of twelve to fourteen feet is possible. In fact, the city is so improved that it does not look like its former self. We own two half city blocks fronting on the river and about the center of the concessions, on which we have our lumber yard, offices and warehouses.)

The lumber imports are very great, mostly logs from Korea. Coming out of the Yalu River I counted twenty large junks loaded with logs from twelve inches to fourteen feet in diameter. The deck loads were about fourteen feet high and timber four tiers wide, outhanging eight feet on each side, and twelve feet high. The logs are hung in ropes, and when the junk is on an even beam they just clear the water; when she lists, they are in the water. It looks like

a small donkey with great packs on each side. They seem to be quite secure as I have never seen any out of place. They discharge at Taku, and are rafted in rafts about twenty-five feet wide and over one thousand feet long, and taken on flood tide to Tientsin, and there all sawn by hand into the sizes required. Some of the logs are hewn on two sides, but most are square; a great number of the round ones are used for coffins. In addition to this there is merchandise of all kinds going in. I saw a lot of old boilers going in to be cut into pieces. I was told the blacksmiths cut those into anything that is wanted; a great deal being made into horseshoes, all by hand. The exports are wool, hides, tea and coffee. The new city is fairly well laid out. The foreign part was mostly saved, and is well built. The streets are well paved, and there are some parks and many shade trees.

There are a great many military men here and lots of soldiers. The United States is represented by a gunboat at Tongku.

CHINWANGTAO

One great drawback is the shallowness of the bar and the fact of its being frozen up for three or four months a year. They are starting a new port at Chinwangtao, one hundred miles off. It never freezes and it looks as if it is going to be the place, as vessels can lay alongside of the wharf. At Taku the big ships lay so far out that they cannot see land. Our steamer drew eight and one-half feet, and had to wait two days to get a tide high enough to get in on.

The country from Tientsin to Taku is very rich and fertile. In passing down the river we saw lots of men irrigating their fields by dipping water from the river in pails and carrying it to the ditches.

The Grand Canal passes here from Hangchow; I think it is about fifteen hundred miles long in all and was constructed many hundreds of years ago. Truly, they are a

wonderful people, this, and the building of the Great Wall would take a civilized nation many years to build, but they can put a few million men to work and never miss them. They claim over four hundred million, but there is no telling hoo many there are, as there are lots of places which white men have never as yet reached.

THE CHINESE METHOD OF DISCHARGING LIGHTERS—TIENTSIN

Chapter Five

THE RETURN VOYAGE VIA JAPAN

After leaving China, on our return trip we had a strong northeast monsoon. We kept in sight of the China coast until we reached the north end of the Island of Formosa. We then crossed the China Sea and saw the south end of Japan, and in going between the islands at the south end of the Sea of Japan we saw Korea. We then went up the Japan Sea, most of the time keeping in sight of the Island of Nippon (Japan). We reached the Straits of Tsugaru the sixth day from Hong Kong. The Straits of Tsugaru connect the Sea of Japan with the Pacific Ocean and divide the Islands of Nippon and Hokkaido. Hakodate is on the extreme southern end of the Island of Hokkaido, and Aomori, which is on the north end of the Island of Nippon, is a terminus of the railroad that runs the entire length of Nippon.

HAKODATE

Hakodate is a very nice harbor, where ships lay at anchor, as it is protected from all winds except from the north or northeast. The harbor is circular, and the town is mostly on the west side. The streets are wide and well laid out. From the harbor the town has a good appearance, but ashore it does not look so well. Close to the water's edge the houses are low and small. The Custom House is a good, imposing building, and there are many other very nice buildings for a Japanese city. There were about twenty steamers of all sizes and also a great many fishing schooners and quite a number of sailing vessels, which make this their home port and headquarters for the West Alaska fisheries. The regular steamers run from Yokohama and other ports in Japan to all ports on the Island of Hokkaido. A great deal of seaweed is exported for food to

China. Sulphur is brought in small vessels from the north of this island and from other small islands north and east and is trans-shipped here to various parts of the world. Altogether it is rather a lively place. The population is entirely Japanese, there being not more than half a dozen Europeans.

We took a Japanese steamer from here for Otaru, on this island. When buying our tickets we were told they had only Japanese food on board and to govern ourselves accordingly, so we took sandwiches, etc. At supper we fared all right by using our own bread, but came off rather short at breakfast as the only things we could eat were rice and eggs. It would have been impossible for us to eat the food they had until we had become accustomed to it.

When we arrived at Otaru it was blowing a blizzard and was very cold as they were having a big snow storm. A few days before this we had been wearing our white clothes in a tropical climate so this took our breath away and it was hours before we got warmed up as the houses were not heated at all, having only the small "hibashi" to stoop over, in which was a handful of lighted charcoal. The streets are very narrow and crooked here on the water-front, but back on the hill they are wide and well laid out. This harbor, like Hakodate, is exposed to the northeast and well protected by high hills on all other sides. Great improvements are going on in the way of making streets and erecting buildings. A railroad runs from Muroran up the center of the island, and this city is connected by rail with a branch that connects with the main line about sixty miles away. A great deal of coal is shipped from this port. Six good sized steamers were here from England discharging cargoes of railroad iron, locomotives and cars for a new railroad that is building from here to Hakodate. Quite a large sawmill is in operation, having English machinery. American saw mill machinery and railroad equipment are the best in the world, but lack of enterprise on our part enables the British merchants to supply inferior machinery. This mill is sawing logs brought in by rail from the north of the island and which are all hewn square in the woods. The

wood looks a good deal like our pine. There is a big demand for lumber and it goes into consumption as soon as it is manufactured.

This is also a great fishing place. The boats were all up on the shore and housed in for the winter, the season being over.

SAPPORO

We took the train for Sapporo, the capital, which is about twenty-five miles distant. It is situated in a beautiful and fertile valley about ten miles from the ocean. The city was laid out by American engineers in the most approved style, many streets being one hundred feet wide. It is well built and a very fine city. I saw as many telephone wires on poles here as I ever saw in San Francisco, and this is entirely a Japanese city. No Europeans are here unless it might be a very few missionaries.

We stopped at a house which had been built as a temporary summer residence for the Mikado; a few rooms are set apart for the accommodation of the few foreigners that come this way. However for a Japanese hotel it was very comfortable, and we had good American food.

MURORAN

We left for Muroran and passed through a fine, level valley so wide we often could not see the hills on either side; then we got into a low, hilly country, all heavily wooded. Many small mills were cutting lumber, and ties were being made extensively. The ground being covered with snow, they were hauling with sleds the same as they do in Canada and Michigan.

Muroran is situated on the south side of a bay, very well protected from most any wind and there is plenty of room for many vessels. The principal industry is the shipping of coal, and there is no doubt that this will develop into a big trade. The town is quite hilly, and the streets are fairly straight and well laid out. The entire community is Japanese, mostly poor people who are depending on work from the coal company. There are many very fair stores and several hotels. We stayed at the best one, which is

conducted in regular Japanese style. The bedrooms have no furniture at all. We got mats to sit cross legged on, and when night came our beds were made on the floor with one mattress to lay on and one on the top of us with a hibashi to warm us. There were no wash-stands, but every one had to wash at the one stand and the one bath, in which men and women bathed indiscriminately. The hotel office has the ground for a floor, and every one is obliged to take off his shoes there. Then they supply him with a pair of slippers, which are worn to the bedroom and left outside the door. If you have occasion to go upstairs ten times a day the same process has to be gone through.

When one arrives at the hotel the first time the clerk goes on his knees and makes a very low bow, making one feel most uncomfortable. There is no furniture in any of the rooms; even when eating one sits on the floor and the food is brought in on a tray.

The natives were all engaged in harvesting roots, called "daikon," which looks like white carrots but much larger and longer, running from two to three feet long and as much as two inches in diameter. They are washed clean and hung up to dry. Then we understand they are taken down and salted, or put in about the same shape as sauer-kraut. It is a staple article of food, as everywhere we went we saw great quantities drying at every house.

At this time they had not been used to seeing Americans, and everywhere we went we had a retinue of from one to two hundred persons following us. One day we went into a candy store to buy candy made out of seaweed, and the crowd filled the street so full we could not get out. The American Consul from Hakodate happened to be passing, and, as he talked Japanese, he inquired the cause of the mob. They said they had two foreigners in the store and were having fun with them; that the woman had on strange clothes and wore a hat (a thing unknown in that part of Japan). He gave them a talk, and we were released. Now foreigners come and go, and they never even get so much as a glance.

This preliminary trip to Hokkaido convinced me that considerable trade could be worked up between the three chief seaports (Hakodate, Otaru, Muroran) and America. I was pleased with the quality of the oak, and bought six oak railroad ties and took them to San Francisco. This was the first oak taken from Japan to the United States. We tried those pieces out by making them into furniture, which proved to be satisfactory. We then made contracts to deliver large quantities of ties to the Southern Pacific Company, who were to start at Guaymas, Mexico, in extensive railroad building the following year. The first cargo of ties I inspected myself to show the Japanese exactly what we wanted. To show the freaks of commerce—this year the steamer "Hazel Dollar" took a cargo of Oregon fir ties from Puget Sound to Tientsin, China, and, returning, loaded a cargo of oak ties in Japan for Mexico. After this we bought a quantity of oak logs and sold them in San Francisco and Los Angeles. This developed into a large and satisfactory business, requiring many steamers to carry the logs in future years.

Chapter Six

MY SECOND TRIP TO THE ORIENT

We sailed from Tacoma for the Orient again in 1903 on the steamer "M. S. Dollar," with a list to starboard of about 10 degrees. For two days after we sailed the crew was busy moving coal and everything that would move, trying to straighten her up. The third night after dark, when there was considerable sea running, the Captain made an attempt to get her on her feet. He put the wheel hard over and got her up, but no sooner got her straight when she fell over to port and kept going until it looked as though she would turn turtle. I told the Captain that it was no use to try to save the deck load and we had better get rid of it. So he called all hands and by the time they had gotten to work she was listing over 25 degrees. It was impossible to walk on the deck as there was a heavy sea on. They had great difficulty working, and it went slowly. The lashings were very tight, and if they cut them the whole thing would go, so we tried to dig a hole under the lashings to get a start. They had thrown over some old dunnage that was in the way and two large lumber shoots, when the Captain came and said she had stopped going over and not to do any more as he would try to shift some of the things they had moved.

We consulted, and came to the conclusion that some of the tanks must be partly empty, so he remained on deck and I went below. We found water on top of the fireroom plates, and the Chief Engineer got the floor up to make an investigation and found the engine room tank (that we were sure was full) half empty, and what had run out of it had gone into the boiler room tank and filled her bilges. We got all the pumps going to empty the bilges and the boiler room double bottom, and started to fill up the engine room tank, when we discovered leaks in the tank top, which we

temporarily closed. All this, with what the Captain was doing on deck, soon got her up to 12 degrees, which was the best we could do, and she ran with a list from 5 to 12 degrees all the way over.

When we discovered the real cause, we felt like people who had been walking over a powder mine. But we learned one thing: that she was a very stiff old ship and would stand anything in reason.

HONG KONG

While we were anchored in the harbor at Hong Kong a red cone was displayed one morning from the observatory, which indicated that there was a typhoon three hundred miles distant. As soon as it was seen, junks, sampans, lighters, and every other kind of craft began to make for the harbors of refuge, of which there are three in this harbor. There was one near where we were anchored, so we had a good chance to see the sights. In three hours the harbor was full of vessels under sail, all heading past us for the little bay. They kept passing us in this way for three or four hours when the wind ceased and then small tugs were employed. They would make four junks fast on each side, six to eight wide, then others attached behind until they had from fifty to sixty in tow like a great floating island. They kept this up until after dark, and at 10 o'clock that night they were still passing. The next morning the harbor was clear of all small craft, only large steamers remaining at their anchorages. As soon as the signal was hoisted the lighters alongside of our ship quit work at once and scurried away. I think there were about twelve there, and in a couple of hours there was not a thing near us. All this time there was only a light breeze. The approach of a typhoon seems to terrify them, and they have good cause, as during one storm over one thousand boats were wrecked and six thousand people lost their lives. All the families live on board, and, with women and children, they average from six to fifty people to a boat.

Although the signals were still up the next day no typhoon came, but every one was watching for it. I went

ashore to the Typhoon Bay, as it was called, to see how so many boats would look. I found it landlocked on three sides and perfectly sheltered, something over eighty acres in extent. The boats had been put in the bay in perfect order, all in rows and as tight as they could be packed, the end rows made fast to the shore and the others all tied to them. The whole bay was packed so full there was not room for another. It would be impossible to tell how many boats there were but I estimated that there were over two thousand, which, averaging ten people to a boat, would make twenty thousand souls. This seems incredible, but I am sure I am under the mark. Peddlers were busy on shore and on the boats and were doing a lively business, and so they might, when one thinks of a town of twenty thousand people and no store in it. This was only one harbor, and with two others like it, you can imagine the people there must have been all crowded together. I was told that in Hong Kong harbor and Canton River, below Canton, there are over three hundred thousand people living on these boats.

All we got of the typhoon was a heavy rain storm, the wind having passed twenty miles north of us.

NANKING

We then visited Nanking, staying there a few days, endeavoring to sell lumber for the new railroad that they were just starting.

The only hotel at Shaiquan, a suburb of Nanking, was called the German Hotel and was kept by a man named Diasang. It was about the toughest place I was ever in, and although it was the middle of winter and very cold, the window in my room was without glass, as there was none to be had in town. Notwithstanding my discomforts, it turned out that I had better accommodations than my son Harold, who had to sleep on the floor of a clothes closet.

TONGKU

Proceeding to Shanghai we left that interesting city for Tongku, and had a very pleasant trip up the coast. Although the sea was like glass when we arrived and we started

MRS. DOLLAR IN A GATEWAY OF THE GREAT WALL OF CHINA

to discharge, we had to cast the lighters adrift very shortly as it got so rough and they pounded so hard it was impossible to do any work. It blew a gale all night but calmed down the next morning so they commenced work, all hands moving cargo, to get the ship on an even keel to cross the bar. They got her to draw ten feet, three inches; but nine feet, six inches was the most water there was on the bar, so they had to give it up and we went ashore in a small tug. We passed Taku on the left bank of the river, a long straggling village of mud huts, where there are probably seventy-five thousand people living. We landed at Tongku a little farther up the river and on the opposite side.

We proceeded to Peking on the railroad, which is a first class road, a good deal on the English style although there is a passage from one end of the car to the other on one side. The second class cars on this line have plain board seats, and the third class are regular coal cars, flat with sides on them, no roof nor seats; when people get tired of standing they can sit on the floor. When animals are carried they are put on these cars with the passengers, who are mostly Chinese.

The country above Tongku is perfectly level and as they have large engines they haul a very heavy train, and, considering the length of the trains, make fairly good time. At Tientsin there are a great many large European houses.

From Tientsin we took the train for Port Arthur, which proved to be a long and tedious journey. However, it was all new to us, and we were very much interested. We took a branch road from Tongku, which ran along the south side of the Gulf of Pechili. The country around the gulf is level and of a rich black soil. There were several irrigating canals on which large junks and lighters were sailing.

TUNGCHOW

Tengchow or Tungchow, in 1903, was a coal mining center with several pits in operation, which were producing a very good grade of coal. The coal also made a good grade of coke. This is a very important portion of Northern China.

A large English flag was flying from each coal pit. There is said to be trouble in the company, as some Germans have bought stock in it and are trying to change its nationality. For a few miles beyond the mines the country is rolling with low hills, up to Chinwangtao. There was a good breakwater here on which a double railroad track was laid, at the outer end of which there are nineteen feet of water at lowest tide, and three hundred and fifty feet in from the outer end there are eighteen feet. The company that owns this dock owns the Tenchow mines, so most of the coal goes over it. I consider Chinwangtao to be the key of Northern China. A direct railroad could be built to Peking (about one hundred and twenty miles), and, as it is a very rich, populous country, would pay very well.

Taku as a seaport is no good and will never be any good, as it is silting up all the time, but Chinwangtao has no river emptying into the harbor and in time I think it will be the principal Chinese seaport of Northern China. I say Chinese seaport as I do not mean Russian China. All harbor work was stopped and nothing was doing except shipping coal, as the whole place is a military camp. French, German, Japanese, Russian and Italian troops and two English soldiers garrison the place, each one claiming it and all there watching one another. They all had staked out a place and had their flags stuck up on bamboo poles all over the place, so it was impossible to know which nation claimed any certain place or piece of property. All this looked to me more like school boys playing soldiers than anything I ever saw. It was impossible to get any ground to store lumber. The Standard Oil Company's manager was there trying to find a place to locate large warehouses for oil, but he could not get a site without provoking an international controversy, so gave it up, seeing that there would be no chance of our Government backing him up. The company that owns the harbor and land is English, a Hong Kong corporation, but as the English have only two soldiers left it looks as if they were not going to fight for it. How the other nations will settle it is a question. The Chinese look on with indifference and do not seem to care who gets it, and make no

claim to anything, being completely cowed by the foreign soldiers. Truly China is in a bad way, and what the end will be is hard to foresee; it certainly looks as if the European nations will gobble up the whole land. The only hope for China seems to be to have some leader spring up that will unite and organize the nation to act as one man, then they could clean out the foreigners without any trouble. But apparently there is no prospect of anything but ultimate division, and each nation as it gets a slice will endeavor to keep the trade in its own hands and for its own people.

THE GREAT WALL OF CHINA

We arrived at Shanghai Quan after dark so could not see anything until the next morning when we had a good chance to examine the Great Wall of China, one of the seven wonders of the world. I must say it is a great sight to see the terminus of this great work where it enters the sea. The wall is something over one hundred feet thick at the base, made up of two paralleled walls about twelve feet thick at the base and six feet thick at the top, the space between being filled with earth. This having been dug up from the outside of the wall makes a great, deep trench. The parapet on top of the wall runs up higher than a man's head and is four feet thick, pierced with loop holes. The back part is causewayed with flat stones, making an excellent roadway the whole length. It is sixty feet high from the ground to the causeway and where it crosses a level country it runs zigzag for greater protection, so that an enemy would be exposed to a flank fire. It is hard to realize the immensity of this great work, though we know it is fifteen hundred miles long, crossing hills and plains, and, in crossing mountains it always goes on the highest peaks for greater defense.

We saw one gateway of solid masonry and as perfect an arch as I ever saw, when one considers that this arch was built long before the Christian era and is in such a perfect state of preservation that I did not see a crack or a displaced stone in it. All this goes to show what a wonderful people the Chinese were.

The outer wall is one hundred feet through, the arch about twenty-five feet high, and the roadway about twenty feet wide. Inside of the wall proper is a large square about three hundred feet each way across. This is surrounded by high walls all around, the same height as the main wall. The gate going out of this enclosure leads out at right angles from the main gate, so if the outer gate were forced they would have the enemy in this enclosure with still another gate to force. The gates are old cumbersome wooden structures, strongly put together with large iron rivets. These are shut every night. The masonry is perfect. The stones are backed up with brick 16x8x5 inches thick. They are tearing down the wall in places to get stone and brick to build dwelling houses, which seems to be too bad.

Outside the wall there were evidences that the Manchus were not to be despised, as the remains of their walls and well planned forts are still in a good state of preservation. A large high tower on the top of every hill for a hundred miles along the railroad leads one to believe they were experts in the practice of signaling. The Chinese method of signaling was, to build a projection out from the wall every three hundred feet, almost like a big buttress, where men were stationed to pass any verbal message that might be sent, so that in a short time a message could be passed the entire length of the wall. In addition to this, there were forts of about two hundred feet square nearly every thousand feet apart, or at every corner where the point of the zigzag occurred.

The old civilization has gone to decay, but the new one is very much in evidence and very active. The Russians have built a large walled-in barracks right in the town and a few feet from the wall, the inside being China proper (Manchuria being outside where they have built a large military post with a large force of soldiers). The French also have not been idle as they have a large encampment inside the wall and outside of the town.

The trains do not run at night so we left Shanghai Quan the next morning at 7 o'clock. It was hot and dusty, and the cars very poor; first class being like our caboose, with

board seats. On account of the Boxer trouble the train service was badly disorganized.

Before reaching Talien-ho, a notice was posted in the car saying that they had torn up the old bridge to build a new one across the river, and that we could be carried across the river on the backs of coolies for five cents and our baggage taken over for five cents a picul (133 pounds). We found that there was a 3 x 12 plank on top of the trestle, so we walked it rather than ride over on a coolie's back. There was no preparation for taking the passengers across the river to Newchwang when we arrived opposite it, so we got a small tug that was towing a barge to take us across for $1.00 each.

NEWCHWANG

The town of Newchwang is Russian in every sense of the word. It is filled with soldiers, and as the place is walled in they patrol the wall as well as the streets, day and night. The municipal affairs are carried on by Russian officials, the head man of the Customs also being a Russian. A short time ago it was reported in the papers that the Russians had evacuated Newchwang, which was true. Our Consul informed us that they all left, and immediately commenced to return in companies of from six or eight to one hundred, then by the hundreds, until the place was full of them, and no matter what the government or the press say, I say without fear of contradiction from any one who knows, that the Russians are in Newchwang, Dalny, Port Arthur and in the whole of Manchuria to stay forever, or until displaced by force of arms.

I asked the Consul if he had kept our Government informed, as the papers only reported the evacuation of the town but never got the news that they returned the next day. What a joke those nations play on each other!

While I am on the subject I will also give you facts and my opinion about our chance for trade in Manchuria. Our principal exports into this section are cotton goods, kerosene, flour and lumber, their importance being in the order stated. Now, since the Siberian railroad is completed,

it is possible to deliver other cotton goods cheaper than our American product. Oil can be brought from the Black Sea cheaper than from the United States, and while not of as good quality, there is no doubt that, as they have the steamers available, the Government will insist on their using the native product. "American flour," on which we so depend to keep up our trade, has also a short life before it.

The country around Harbin is well adapted to wheat growing, and the industry has grown to such an extent that they grind out two thousand barrels of flour daily. Our compradore, who is agent for Allis Chalmers & Company, has a request to bid for two separate mills, one of two hundred and fifty barrels and one of five thousand barrels a day capacity. All the Russians with whom I talked were quite confident that our flour would be stamped out within two years. I doubt this statement but it will not be long, if we can believe half of the accounts of this rich country. It takes a good deal of wheat to feed an army of one hundred thousand men, and I believe they have fully this number with attendants, etc.

(What changes take place in the world and how little we know what is ahead of us! The foregoing was written fifteen years ago and the prediction that the Americans would lose the trade they were enjoying has fully come to pass. Our lumber and flour have long disappeared with our cotton goods, and our kerosene oil or what little is left of this business is on the ragged edge.

At this writing, 1903, Russia appeared to be completely and permanently established and there to stay. Who could have been bold enough (at that time), to have even thought that little, insignificant Japan would be able to oust the big bully out of such an apparently firm and substantial position?)

TSAO CHAU

At last we came to Tsao Chau. The Russian Government has formed a company of seven million roubles capital to open up the Yalu River country, that is the dividing line between Manchuria and Korea. The Russians want to get firmly established on the frontier, and have a large number of men logging on the river and floating the logs to tide water. I have seen quantities of the wood, and I must say it is as good as Oregon pine. I am told there are plenty of trees four feet in diameter. These are hewn in the woods either

on two or four sides, and are then whip-sawn by the natives at the place of consumption. The great market for this wood is Port Arthur, Dalny, Newchwang, Chefoo and Tientsin, and it is against this wood that we now have to compete in the ports named, with our Oregon fir.

Now the Russian Government proposes to manufacture all the lumber required in their own country, and, in fact, all that is used in the Gulf of Pechili. For this purpose they have plans out for a mill and are looking for the machinery and will build at once, the capacity to be about one hundred million feet a year. They are also getting out plans for three steam schooners with a capacity of about four hundred thousand feet each with a draft of from ten to eleven feet to carry the lumber, and in the event of war to carry men, supplies, etc., into that Yalu River country. They claim there is an abundant supply of standing timber, and as the Chinese have been lumbering there for a great many years and carrying it out with their junks, I expect there is plenty of it so far as Russian requirements are concerned.

The Russians have spent millions in Manchuria, and as a prominent Russian put it to me: "We have spent millions upon millions of Russian money to open up and develop Manchuria, and do you suppose we have done all this for the benefit of foreigners? This has all been done for the benefit of our people and we propose to keep it, sure."

And there is no doubt they will. Our Government claims we must keep the Open Door, and they will keep the outside door open but they will also make sure that we cannot get in, either by competition or by cumbersome regulations that will make it impossible for us to do business. Even under present circumstances it is not easy to do business there.

Contrast this policy with ours in the Philippines, where I heard Mr. Taft make a speech before the American Chamber of Commerce, saying that the Philippine Islands were for the Filipinos and not for the Americans. He has made his word good, and I am told that the American population there has decreased fifty per cent since last year.

We had a little trouble finding out about the trains leaving Newchwang. We had a Russian (none of the officials talk English) telephone the station master to find out when the train left for Port Arthur, but that official said he did not know. We finally got in touch with a higher official who said a train would leave at 2 p. m. and connect at the junction of the Great Siberian Railroad at Tsao Chau with the train from St. Petersburg, which runs twice a week. The train, however, did not start out until 4 p. m. It is impossible to get information ahead of time as to when you can get a train for any place, and this is on the great highway from St. Petersburg to Peking.

We had to hire a tug to take us from the city to the station, three miles further up the river than the town, but were landed about a mile below and walked the balance of the way. There was no hurry as the train did not start for two hours after the time they said. The train on the main line was very fair, as it had sleepers and a dining car, which for Russia were fine. The waiters and porters all talk some French, so we got on all right and arrived at Dalny three days from Tientsin. We went to the hotel, and had a great time getting breakfast. After waiting one and a half hours we got boiled eggs, coffee and bread and butter, the last made in Odessa was similar to axle grease. However, we were glad to get anything, as the regular breakfast is served at noon. The people here stay up half the night and rise about noon.

PORT ARTHUR

From Dalny I proceeded to Port Arthur on business, but traveling was so difficult and uncomfortable that we decided to have Mrs. Dollar and the young people go to Japan, where I was to join them at a later date.

It was blowing a gale and a sand storm came up making it so disagreeable that we did not leave the hotel at Port Arthur. There are no hotels worthy of the name, but we were glad to get anywhere as the place was very crowded. We found a hotel where the landlady was French, so we

AN IRRIGATION DITCH—JAVA

had the satisfaction of asking for what we wanted and got along fairly well.

Port Arthur is a military town situated on a small bay and in itself does not amount to much, but the military work going on beat anything I had ever seen. On the streets at any hour of the day we were continually meeting squads and companies of soldiers going from and to, no one seemed to know where. On the top of every hill great gangs of them were working. It was just a great bee-hive of industry, all doing the one thing, fortifying the place at every conceivable point. (No one surmised that in a very few weeks this would be the center of one of the world's great wars.)

There is a very good drydock here, but not much room for merchant ships. Eight to ten would fill the place, but at Dalny there is plenty of room. There were fourteen large men-of-war lying at anchor outside the harbor, and a small fleet of small ones inside. Everywhere there seemed to be a feverish haste to get ready. To look at it one would think that a war had been declared.

I had been in many hard and tough places before during my lifetime, but Port Arthur certainly beats them all for vice and iniquity of all kinds.

We left Port Arthur in the evening and went through the Russian fleet shortly after. It was certainly a formidable sight. The next morning we were at Chefoo, and there went through the American fleet of twelve men-of-war—poor China had two there. Then at Weihaiwei the English have a large fleet and at Kiaochaw, seventy-five miles further, the Germans have twelve to fifteen large men-of-war. Northern China has probably more warships and men concentrated than anywhere else in the world. In fact the eyes of the whole world are turned this way at the present time, no one knowing what all this preparation means. A short time ago the Russian and Japanese governments bought up all the available flour in the Orient, and they had every bakery shop in Hong Kong and Shanghai running their full capacity on hard tack.

Chapter Seven

NOTES OF A TRIP TO JAVA

PANAROCKEN

We left Soerabaya early in the morning on the railway for Baraboedoer. The first ninety miles were through a level country, the richest I had ever seen. The soil is mostly of decomposed volcanic ash, deep and black, with a clay subsoil. The principal crop is sugar; then tobacco, rice, and tapioca, for export, and fruits of all kinds for local use. There are great sugar mills all over the country with tall, brick smoke stacks that look like lighthouses, all whitewashed. In fact, every building in this country is white. A law compels the natives to whitewash their dwellings, inside and outside, twice a year for sanitary precautions, which is said to make them immune from cholera and the plague. At the time of our visit the place was very healthy, although we were there in the middle of summer when it was very hot.

To come back to sugar. A great many men are employed in this industry. We saw them in the fields everywhere, cutting the cane, transporting it by small railroads to the mills, and in many places it was hauled in great, heavy, two-wheeled carts drawn by two small oxen. The roads are perfectly level and very good. On all the principal roads there is an avenue of trees on each side, the branches of the trees touching on top, so that the sun does not reach the road at all. As a rule, there are irrigation ditches on one side of the road.

A man has charge of a short piece of road which he has to sweep clean every day, burn all dead leaves and refuse, and also sprinkle his division with water which he dips with a pail out of the running stream by the roadside.

Rest houses, built by the Government, are located every five miles. The houses are built across the road and are open on all sides. During rain storms teams can drive under the roof, and travelers can lie down on the bamboo beds and rest themselves. These buildings are kept nicely white-washed and clean. There are also small rest houses about one and a half miles apart, between the larger ones, wherever there are roads. These roads are generally about forty feet wide.

Sugar cane is hauled to the mills, and an elevator, like a slab elevator in a sawmill, carries it to the rollers where it is crushed. The first rollers are not very close together, the second are closer, and the third squeeze everything out of the stalk with the assistance of hot water that is sprinkled on the cane before it goes through these last rollers. The refuse cane is then carried to the grates to make steam. They use extension fronts, the same as we use in some sawmills. That is: an oven in front of the boilers where the cold cane goes in and nothing but hot flame goes under the boiler. I do not understand the process of sugar making sufficiently to explain it, but the juice is carried in troughs, whence it is pumped into great boilers, and there boiled with the exhaust steam from the engines under a vacuum. After going through several of these, it becomes thick and is then put into cylinders that revolve very fast. The centrifugal motion takes the syrup and impurities out of it, and the pure sugar is then delivered into a bin, later being put into sacks, baskets or mats.

The sacks are just ordinary strong gunny sacks, well sewed up at the end. The baskets, with which our steamer was loaded, were something new to us. They are about four feet long, tapering from two feet at one end to about two and a quarter at the other. They are strongly made of split bamboo, and are placed small end down and carefully lined inside with large banana leaves. The sugar is shoveled in until the mat is full and its top is securely covered with leaves, then a cover of bamboo is put on and securely sewed down with bamboo thongs, making a very strong and very

heavy package. They run from five hundred and fifty to seven hundred pounds when packed with sugar.

In our cargo they averaged three and one-half baskets to a ton of 2240 pounds, or six hundred and forty pounds each; but different tare is allowed in different places. The picul here is one hundred and thirty-six English pounds, and in China it is only one hundred and thirty-three and one-third pounds. This sugar was sold on a Java picul basis, and we got freight on the basis of a Chinese picul, so that on account of the different customs it is difficult to know and understand exactly what is meant by a basket of sugar or a picul.

We found the baskets much larger at Panarocken than at Soerabaya. They are difficult to stow tight, and it is slow work finishing up a ship when they get close up under the beams. The steamer was not quite full, and, even if she had been, she would have been to her loadline by two hundred and fifty to three hundred tons. But with bags or mats she would have been down to her loadline and still have room left. The mats are about two and a half feet square, made of matting and holding from seventy-five to a hundred pounds of sugar. They are not very strong, and while they stow well, there is danger of their breaking.

Most of the mills ship their sugar by rail to the seaboard, but many of them haul it with ox carts. There are very large warehouses at all the shipping ports and very good facilities for handling it. The sugar ports are, beginning with Soerabaya (which is the principal one), going east—Pasuruan, Probolingo, Bezukie, Panarukan and Banjuwangi, which is on the east end of the island. Then going west from Soerabaya, are, Samarang, Cheribon and Batavia, which is the capital and important as such but has little importance from a commercial standpoint. On the south side of the island, about the center from east to west, is Tjilatjap, the only good port and the only one of any importance on that side.

Continuing our journey across the island, after the first ninety miles through a rich country, there were twenty miles over foothills, planted out in trees of no great value.

THE TEMPLE AT BARABOEDOER, JAVA

After crossing the foothills we got into another stretch of rich, level ground.

At Solo we changed cars from narrow to broad gauge. Two hours time brought us to Jokjokarta, for short called *Jokja*. This is where the headquarters of the native princes are situated. They are paid by the Dutch Government, and their palaces and grounds occupy six hundred and forty acres in the center of the city. They have from ten to twelve thousand attendants, all living within the walls of this enclosure. We did not have time to visit the palaces as it takes time to get a permit, but we visited the water castle built in 1750 for native princes.

This castle has been abandoned since it was wrecked by an earthquake and is fast going to rack and ruin. It was surrounded by water and there are many underground chambers where they would retire during the hot weather. The walls are thick, and, before modern artillery came into use, it was a very strong place. The shady avenues around this city are very fine and give one the impression he is driving through some gentleman's estate in England.

In going along we noticed that there were no scattered farmers' or peasants' houses to be seen, as they live in villages fenced or walled in and completely shaded with trees, so that you cannot see the houses until you are quite near them. Whenever you see a banana and cocoanut grove you may be sure a village is there. Every house has a small piece of ground in which are banana and cocoanut trees, which, together with rice, are used for food.

As this island is about the most thickly populated part of the world you can imagine the number of villages there are. On the roads wherever we went there was a constant stream of people going and coming and generally carrying burdens; the women carry their burdens on their heads, which gives them an erect and stately appearance. The people seem to be industrious and are always working at something. Most of the tilling of the soil is done by hand.

Considerable rice is grown here. We saw it in every stage from the sowing of the seed in beds before it was transplanted, until it was being threshed by being pounded

in a wooden trough. It was then pounded, to get the hull off, in a three-inch auger hole in the end of a log—a piece of wood like a capstan bar being used. Some of the people are engaged in cultivating tobacco, which we also saw in its various stages. There are some very large factories for the preparation of the leaf before it is shipped to Amsterdam. It is packed into good solid bales, four feet square, which are covered with good burlap.

In connection with labor, it is a remarkable thing that, although there are a quarter of a million Chinese in Java, I never saw one of them doing manual labor—the natives do all the hard work. For instance: in the sugar mills, after the cane goes through the mill and they commence to boil the syrup, the Chinese take charge of it, under the Dutch chemist. The retail business of Java is done by Chinese, and many of the merchants are very wealthy. The authorities compel them to wear their queues so they will always know them, but as a great many of them are half caste their pig tails have dwindled down to the merest string.

BARABOEDOER

From Jokja we left for Baraboedoer. We took the steam train to a place called Montelan, twenty-two miles distant. There are no Europeans here, except a few Government officials. From there we took a four-horse wagonette. The horses are about the size of a large Shetland pony, and are very hard to drive. It takes two men to drive them, one sitting in front lashing them with his whip, while the other runs alongside to lash them. The roads were level and in excellent condition, with the usual avenue of shade trees to keep the sun off. The distance from Montelan to Baraboedoer is about eight miles, and there are three prosperous villages between the towns. We met a constant stream of people going and coming all the time, but could not find a single person who could speak English, so we had to depend on what we saw for any information we got. There is only a ruin at Baraboedoer and the Government hotel, called a "passagrahin," which is only used for visitors to the ruins, and from a glance at the register, there are not many, and

most of those who do go are from the island. The American visitors are few and far between.

When we arrived I tried to pay the driver, but the hotel keeper did not want me to. He kept saying "Morgen," but as I was not acquainted with the word we could come to no understanding. He was quite disgusted, but we finally found a book giving English words with their Dutch meanings, and I found "Morgen" to mean "tomorrow." So by finding words and using signs we managed to get along. Darkness comes on very suddenly in the tropics so we had no time to see anything that night, but the next morning at daylight we started out.

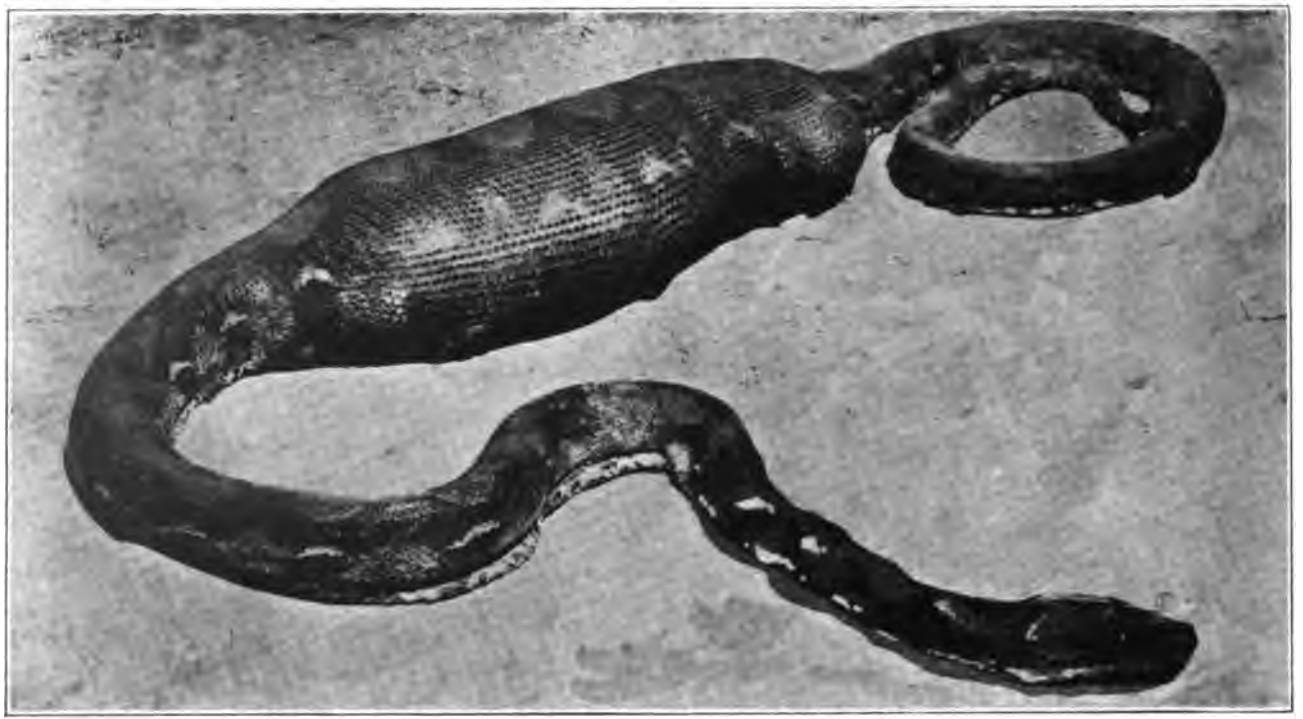
I must tell about a Java bed. It is usually seven feet long by eight feet wide, with lots of pillows and bolsters, the whole covered with mosquito netting stretched on four poles. There is a sheet over the mattress, but that is all—no bedding. The netting is supposed to keep you warm enough. All the floors are cement and some of them are just the bare cement without any mats or rugs on the floor. All the houses are of one story.

The Temple of Baraboedoer is a wonderful building. It would be impossible for me to give even a faint idea of the immensity of the building or of its sculpture. It is over thirteen hundred years old, and I think it outrivals anything in the world of its age. It is built on a hill, say three hundred feet high, the building being one hundred and three feet in height to the top. The first base is two thousand and thirteen feet in circumference, then each story recedes about forty feet in diameter and there is a walk around each story of twenty feet in width. It is seven stories high and is completely covered with statues and bas-reliefs, except the lower story, which had not been finished. It is thought that it took many years to build and carve, and troubles arising between the native tribes, it was never completed. Fortunately, before leaving, they covered it with earth, which accounts for its fine state of preservation. In addition, there was a heavy coating of volcanic ash (it is in sight of a smoking volcano at the present day), then trees and shrubs completed the covering. The bas-reliefs are supposed to

show all the events of Buddha's life, from before the time of his birth until after his death.

I noticed several models of ships which looked much like the ships used by Columbus. The whole is built of a very dark colored stone and is surmounted by a dome on which was a spire, long since demolished by earthquakes. The dome was built up but the Dutch opened it and found within a very large carved image of Buddha, not completed. This is still open to visitors. The credit of bringing this great work to light is due to the English. When they got possession of the island in 1812, the governor had part of it unearthed. It was a great work, and two hundred men were employed for a long time. Afterwards the Dutch completed the uncovering of it. At one time they had a number of soldiers in the vicinity who wantonly destroyed many of the figures by shooting at them, and deliberately smashed many. But now the Government is taking care of it. Every one used to go there and help himself to whatever he wanted. At that time, many persons and museums obtained a fine lot of relics from the ruins. Several days would be required to comprehend the extent and magnitude of the structure.

Two miles from here is Mendoet, another ruin that the Government is restoring. It occupies a piece of land about two hundred by four hundred feet, and is surrounded by a paved court and a mound of earth. Likely, it was walled in at one time. The building is about forty-five feet square and probably seventy-five high. Inside the building there are three images of Buddha, all in a fine state of preservation. The bas-reliefs, and the outside generally, resemble Baraboedoer, which apparently goes to show that it was built about the same time and by the same people. There is a large village surrounding the ruins, but they had no idea of its existence until a Dutch engineer discovered it in 1835. It will be a fine monument when the work of restoration is completed.



A SNAKE AFTER HAVING DINED ON A SMALL PIG—PASURUAN, JAVA

THE SAME SNAKE—EXPOSING TO VIEW THE BODY OF THE PIG

SOLO

At Solo we saw the resident Prince's palace. He had a menagerie of wild beasts, and three elephants kept for state purposes. The royalties keep up a lot of empty style, and the Government uses them for its own purposes and to keep the natives quiet, but I noticed a battery of large cannon in a square that covers the palace, so that at short notice a volley could send all the grandeur skyward!

We had to retrace our steps to Soerabaya as we wanted to see a real, live volcano. We left the cars at Pasuruan, a seaport, which formerly was of great importance, but since the railways have been built trade has gone to Soerabaya. There are a number of good buildings and warehouses situated, as at Soerabaya, on the sides of the creek or river, where the large lighters load and discharge their freight. Steamers lay to an anchor a half mile from the mouth of the river, the navigable part of the river up to the heart of the town being two miles.

One day while here we heard a great deal of commotion and on coming near the scene found a large snake had swallowed a small pig and had been killed by some of the natives.

The country is very level. We found it difficult all through the island to talk to the people, but managed to find some one in most places who could speak a little French so managed to get on.

At Pasuruan we had quite a time, but finally got started for the Hotel Tossaira. We went in carts and the hotel man at the station told us when we came to Passepan to pay the men off and two others would be waiting for us. The first went about ten miles and stopped and wanted us to pay and get out, but as we could not understand them we came to a deadlock. We would not get out, and they would not go on. One of them went off and brought a Dutchman, but we could not understand him any more than the natives. After a great deal of talk that neither party understood a bright thought struck the Dutchman. He beckoned me to follow him to where there was a telephone. He called up a

town and got a party on the line and then gave me the receiver; to my astonishment this party could speak good English. He explained to me that we were at the end of our first stage, to pay off our teamsters and take other carts as the horses we had could not climb the hills. So all the trouble was over and the mob dispersed, as the whole village had turned out to see the circus with the foreigners.

From here we had two horses to each cart, one in the shafts and one alongside, but the grade was very steep and hard climbing. At first the grade was rocky, evidently lava from some eruption, but the land was cultivated between the boulders. We now commenced to see lots of Indian corn, no rice but plenty of bananas. While the road was steep, it was wide and well made, and kept in excellent condition. We arrived at Posepo at noon and had lunch at the Government hotel. After lunch we got saddle horses and two men to carry our bags, as the grade was steeper from here on, but the road was just as good and as well kept, and the avenues of trees continued. A rain storm came on us suddenly and we were drenched. We came to a native house and took shelter until the storm passed over. We were now five thousand feet high and the weather was decidedly cooler than at the seaboard. The house was bamboo throughout, even the roof was bamboo split in two. One row with the mouth up and then another row with the backs up, which made a perfectly tight roof. The smoke found its way out through the cracks, and consequently into our eyes. The floor was dirty and the cooking stove was made of stones and clay. Altogether it was very primitive. The building was about thirty by twenty feet, and there were evidently two or more families living in the house, for twenty people who had never seen Americans before, came to take a good look at us.

It cleared up and we arrived at the Government hotel at Tossaira before dark. The next morning we were off again on horseback to see the volcanoes. It took us four hours' riding to get to Bromo, which is the active one. Great quantities of black smoke were rising from it occasionally, and from a considerable distance we could hear

the most unearthly noise coming out of it. There are two extinct volcanoes close to this one; in fact, they are all within three miles of each other. Widoudaren, the first we came to, looks as though it had cooled down lately as there is no vegetation on it yet. The same can be said of Batck. This one looks like a perfect cone flattened on top, the sides all corrugated into deep ravines as the lava had run down into what is called the sand sea. Looking down on this sea it looks just like a lake. Some of the natives had come to worship the fire god and had built wooden steps of teak and bamboo to the top of Bromo. As it is very steep we left our horses at the foot and walked up the stairs. The top of the rim is very thin, not more than ten feet, and the crater is so steep no one could walk down. When the smoke would blow away from the bottom it looked like great holes, with boiling liquid inside—the whole yellow with sulphur.

The nearest comparison I can make to the noise would be standing in a boiler room where there were several batteries of boilers and all blowing off at the same time. The ascent from the sand sea to the top of the crater Bromo is about one hundred and fifty feet and the bottom of the crater looked to be about the same distance down. All around were great masses of rock and stones that had been recently ejected. Other places were stretches of molten lava where it had cooled off into fantastic shapes, generally cutting deep corrugations into the hillside and all accumulating in a great bank or ridge similar to the result of a landslide.

This is a very wild country and from the Bromo we could see three other smoking volcanoes, the whole making a scene of wild grandeur and desolation. One can have no idea of the force exerted by a volcano unless he has seen one in eruption, or has looked at one like this, just recently cooled off.

On the way to the volcanoes we were surprised to see the hills right up to the top, terraced and under a high state of cultivation, although some of them were so steep that it is hard to believe they could be cultivated. Vegetables

and Indian corn are the principal products, but there is also considerable quinine grown here.

We were on our way before daylight the next morning to get the train at Pasuruan for Panarocken where the steamer "M. S. Dollar" was loading. The country the whole distance from Pasuruan to Panarocken is level and just as rich as any we had seen, thereby convincing us that Java is the richest agricultural island of the world.

The principal productions on this eastern end of the island are sugar, tobacco, coffee and some indigo, then fruits of all kinds and rice for the native food. They seem to have a good telephone system over the island. Foreigners were closely watched, and we learned that notice of our arrival at the various places on the island had always been telephoned ahead of us, and we had to have closely viséd passports. But I understand this regulation has been modified.

VIEW OF A SECTION OF WALL, TEMPLE OF BARABOEDOER

Chapter Eight

THE STEAMSHIP "M. S. DOLLAR" AS A BLOCKADE RUNNER

During the Russo-Japanese War, in 1904, we chartered the cargo steamer "M. S. Dollar" to carry a cargo for the Russian Government from San Francisco to Vladivostok.

She attempted to go through La Perrouse Straits but found it blocked with ice so there was nothing left to do but attempt to go through the Straits of Tsugaru. It turned out that the look-out on the north end of Hokkaido had seen the steamer try to go through La Perrouse and turn back, and notified the gunboats guarding Tsugaru Straits to be on the lookout for her.

She stayed far enough out so that her smoke could not be seen, and during a dark, stormy night she started to run through although the Japanese had stationed two gunboats at each end of the Strait. Remarkable as it might seem, with all lights out, she passed through without being seen. The Straits are twelve miles long and three miles wide.

The captain was to get a substantial bonus from the Russian Government if he should arrive safely in Vladivostok, so he was pacing the bridge trying to figure out what he would do with all this money. His castles in the air came to a sudden termination by the appearance of a search light sweeping the ocean; after passing backward and forward it rested at last on the ship, so that she was discovered. The light was kept steadily on the ship until in half an hour's time a cannon boomed out of the darkness, as a polite invitation to stop, which was promptly done. After waiting some time a boat came alongside and a demand was made to lower a ladder, when an officer, of what turned out to be a Japanese man-of-war, that was going up the Sea of Japan and not looking for them, came on board followed by officers and armed marines. He

asked the captain the name of the ship and when told, passed the word down the line, "M. S. Dollar," and each officer repeated it as they had heard she was bound for Vladivostok.

They took charge and took her into Hakodate where an examination of the ship's officers was held, but the captain was the only man on board who knew her destination and he would not tell. All they found was that the ship's papers showed that her destination was Moji. All is fair in war, so on general principles they decreed us guilty, and ordered her to proceed to Yokosuka, near Yokohama, to be tried by the prize court. To show how complete and efficient their secret service was, my son Stanley arrived in Kobe that night and knew nothing of the capture until an officer placed him under arrest, stating that the next day he would be taken to the prize court at Yokosuka.

When taken before the court, the judge said: "You got a letter at the Kobe postoffice from San Francisco; I want to see it." Stanley handed it to him, and, after reading it, the judge had a hearty laugh and said: "This letter is from your father and he tells you this vessel is going to the Orient; the Orient is a very big place. Your father must be a very astute old gentleman; I would like very much to meet him."

The captain stuck to it and would not tell where he was going and the judge said he would imprison him until the end of the war, so Stanley advised him to make a clean breast of it, which he did. The captain was then released, and the ship and cargo condemned.

Stanley asked the commandant of the Navy Yard if he could take a souvenir off the ship as she was named after his mother. He replied, "Yes, with pleasure; what would you like?" In a joke Stanley said, "The ship's anchors and chains." The commandant did not see the joke, but said quite seriously, "Oh, I could not allow you to take them." Stanley then said, "Well, would you allow me to take a silver sugar bowl which has my mother's name on it?" His reply was, "Oh, yes, you can take it with pleasure."

So, for the time being, that ended our connection with this fine vessel. We had her insured against loss from war risk for $180,000.00, which the insurance companies paid.

The year 1906 was the memorable year for all San Francisco people, as in April we had the earthquake and fire that destroyed the city. I arrived in Kobe April 18 and found two of the hotels had been burned, so it seemed impossible to get a place to sleep. About 10 o'clock p. m. I managed to get to a friend's house. He got up and prepared some supper for me, and during the course of the conversation he said a cable had come in stating that San Francisco had been destroyed by an earthquake and fire, and, as all communication had been cut off, no further information could be obtained.

The next day I went to Yokohama and still could obtain no information. However, three days later, I received a cable stating that our office and contents had been destroyed and that we had opened an office in Oakland. This information I posted so that Americans could know that Oakland was intact, as a wild rumor had been circulated that it had been overwhelmed by a tidal wave. All this did not relieve my mind much as I was on my way to Tokio, where the steamer "M. S. Dollar" was to be sold by the Japanese Government, and since every bank in San Francisco had been destroyed I was perplexed to know where I was to get the money to pay for the ship if I bought her. However, I arranged to get the money in London if I could not get it in San Francisco.

The Japanese had used her as a troop ship during the war, after which she was put up at public auction and I bid her in for $55,000.00. She was turned over to me at the Naval Station at Sasebo. I got a few men and stores enough for one day to take her to Moji where I intended to load her and fit her out. After leaving Sasebo it got very foggy and we could not see the length of the ship. I remained on the bridge until after 11 o'clock. It was a wet, miserable night and the captain advised me to go and lie down. I told him I had some kind of a hunch that something was going to happen; however, I went and laid down

with clothes, boots and all on. I had only been turned in an hour when the captain wakened me and said there was something strange and he wanted me to come on the bridge. It did not take me long to get there as the thought flashed through my mind that this something was going to happen. When we got back on the bridge he said he had seen a reflection on the sky which looked like a rocket and it was dead ahead. We immediately took soundings but could not get bottom. Just then another flash appeared, which we both decided was a rocket. We checked up on our course and found it would clear an island by ten miles, so that this must be a vessel in distress out on the open China Sea. We had no rockets to answer, but made a flare-up of oakum and oil. This brought a reply as we immediately heard a steamer's whistle, indistinctly, in the distance. We soon came up near to where she was, but it was so foggy and dark we could not make her out. When daylight came we found her to be the German mail steamer "Roon." She had gone ashore on the island, which we both thought our courses would clear by ten miles. The current had set both ships off their courses. Fortunately for us, she went on, for if she had not we certainly would have landed in her place. We lowered a boat and went cautiously to her, as there was a considerable sea, but the captain told me he had two hundred passengers and his No. 1 hold was full of water, so I arranged with him that I would take them all on board and we would try and pull him off. I also told him we only had one day's provisions for our own crew of twenty men and that we had no bedding, so he supplied us with the necessities. We had a hard job transferring all the passengers on account of the heavy sea and the blinding rain storm. They were a woe begone lot, all cold, wet and miserable.

We pulled on the "Roon" for half a day, and could not move her as she had settled down forward on a pinnacle rock. I advised the captain to flood his after hold and tip her up off the rock but he said it was a very valuable cargo and he did not like to destroy it.

AN IMMENSE PANEL OF OUTER WALL, TEMPLE OF BARABOEDOER—SHOWING CARVINGS AND BAS RELIEFS

We arranged to take the passengers to Moji and telegraph for a German man-of-war that was at Kobe to come and help him. We got to Rockuron quarantine station just at dark and the officers would not come on board. So we lowered a boat and I went ashore, which was such a breach of etiquette that I was arrested by soldiers as soon as I put my foot on shore. They started to march me off to the guard house, and while I could not talk to them I made signs vigorously that I wanted to go to the commandant's house. So they took me there and although he talked English I certainly had a cold reception, but I explained to him about the condition of the two hundred people on board, many of them women and children.

I made no headway until I told him Count Hyashi, Minister to Spain, was on board. That caused him to come on board, but he reminded me that I was still under arrest. I told him I did not care what he did with me so long as he allowed the people to proceed to Moji. I got the ear of the Count first, then he interviewed the Commandant, with the result that after five minutes talking in Japanese the passengers and myself were allowed to proceed to Moji. We arrived there about midnight, but the quarantine officer had telegraphed ahead and the chief of police was waiting with boats and took care of every one in a very satisfactory manner. I wired for the man-of-war to go to the "Roon." He got there the following day, but failed to pull her off and a storm coming up he was compelled to pull out. The captain of the "Roon" later took my advice and flooded his after hold, and she backed off herself and proceeded on her own steam to Nagasaki where she was repaired.

The year 1907 was an eventful one. The early part of the year business was fair, but the latter part was about as poor as it could possibly have been, as we had a genuine financial panic. The banks stopped payment and resorted to the use of Clearing House certificates in the place of gold and currency.

Affairs got to the point in the coastwise trade where it was impossible to get a new dollar for an old one. As a

result a great fleet of vessels was laid up in San Francisco Bay, amongst others being many of our coastwise steamers.

In the early part of the year we remodeled our China business. While it had been, in a measure satisfactory, and we had been making money out of it, still it was not in such shape that we could extend and enlarge it as we had hoped to do. Therefore, in the reconstruction, all this was planned. At that time we had a small office in Sezchuen Road, Shanghai. We afterwards moved to more commodious offices on the corner of Sezchuen and Nanking Roads, and at present are located in large new offices on Canton Road fronting the Bund.

As stated, this was a year of financial panics, but fortunately we had been prepared beforehand, so it did not affect our business to any great extent.

Chapter Nine

AMERICAN COMMISSIONERS ENTERTAINED BY JAPANESE

On the 24th of September, 1908, a party representing various chambers of commerce, went to Japan. We sailed from San Francisco on the steamer "Tenyo Maru." The party was composed of twenty-eight men and twenty ladies from Spokane, Seattle, Tacoma, Portland, San Francisco, Oakland, Los Angeles and San Diego. On our arrival at Honolulu we were met by a large delegation from the Chamber of Commerce of that port, and were taken in automobiles to Pearl Harbor where we had lunch served under the trees. There was some speech making, and we had a very enjoyable time.

We were then shown around the harbor and an explanation was given by the admiral in charge as to what the Government proposed to do in the way of developing a naval base on the Hawaiian Islands at this place.

A tug was in readiness and the party was taken around the lochs so we could see what a fine harbor it was. Any who desired to go outside on the tug to see the entrance to the harbor took this opportunity. I was especially interested to see how the harbor could be protected and what the entrance was like. It was still in quite a natural state and somewhat crooked although very well protected. A ship entering would be immediately hidden from view from the ocean. In the afternoon and evening the party was driven around the city and its suburbs in automobiles.

After leaving Honolulu our time was variously taken up with meetings. Following is an address I made to the members of the Honorary Commissioners of the Chambers of Commerce to Japan on board the steamer "Tenyo Maru":

ADDRESS

This Commission is styled *Honorary*. I wish to lay particular emphasis on this word, showing the great responsibility that is placed on every member to do his best to make it honorable in every sense of the word. The invitation reads that the object in inviting us was to promote friendship and good will. You all know it is necessary to be on friendly terms with those with whom you do business, otherwise it would not continue; so in our dealings with foreign nations it is of far greater importance that we should have perfect harmony and a good understanding, as, I would say, that just as sure as the center of activity moved from the Mediterranean to the Atlantic, so sure will that center be transferred to this Pacific Ocean.

This I believe will come during the lifetime of you young men, and the three nations having the frontage on this ocean, namely, the United States, Japan and China, will be the beneficiaries provided that they prepare for it. The nation that has the best and most steamers will be the one that will reap the greatest benefit. Japan is doing her duty in this respect, as evidenced by this fine new modern steamer we are now traveling on, and the two new sister ships not yet completed, and by owning a large fleet of tramp steamers to do the freight carrying.

What is the United States doing to keep up with Japan? I answer, "Nothing." Our merchant marine is disappearing from the ocean as fast as it can go. No new steamer to engage in the foreign trade has been built in the past five years, and there is not an American tramp steamer afloat engaged in the foreign trade. We are now reduced on this ocean to six mail steamers, which is about half as many as we had a year ago, so I would urge on you when you return home to assist in every way possible to get laws passed to permit us to rebuild our merchant marine, so that we may take our proper place amongst nations.

We have the richest country in the world, our natural resources are unlimited, and up to the present time we have been taken up with internal developments. Now the time

BUDDHA

Left Hand Figure in a Group of Three, Temple of Mendoet

has arrived for us to reach out for the foreign markets of the world, and in my estimation there is no country offering us such inducements as the Orient.

The mastery of the Pacific is a subject that the great nations are discussing. If we get a merchant marine, the commerce will be divided between our country and Japan, but if we decline to take advantage of our opportunity, then the trade will be divided between Great Britain and Japan and our great nation will have to take third place. The Yellow Peril scare was started by Emperor William at the time he gobbled up Tsingtau, when Germany was fortunate enough to get two priests murdered which served as an excuse to seize that part of the Shan Tung Peninsula. Now there is in China a White Peril which is ably described by a Chinese author.

It came about in this way: About three days after the treaty of peace was signed by China and Japan in Shimonoseki, France, Germany and Russia demanded that the Lia Tung Peninsula, including Port Arthur, must be ceded back to China, Japan having taken it by conquest. The Great Powers stated they could not allow a foreign nation to occupy that part of China. Japan was weakened by the war and could not resist so was forced to give in, but from that day she began preparations to recover what was hers by right of conquest. What was the result? Russia immediately took possession of this part of China. Germany for her share got Tsingtau and France got another slice of Tonquin, while Great Britain, to her everlasting disgrace be it said, stood with folded hands and saw this injustice perpetrated, when she was the only nation that could have prevented it. Vengeance belongs to the Lord. Russia got her deserts. Next it will be Germany and France. Germany has taken the hint, as she has withdrawn her troops from two hundred miles of railroad and concentrated them all in Tsingtau.

The Japanese have the name of being tricky. In my brief experience with them, I have done business of over a million dollars, and can conscientiously say I have never been wronged out of one cent. On the other hand, let us see

what is the reputation of the American in the Orient. In trying to start new business relations, whenever a Japanese or Chinese learns that you are an American, he is immediately on his guard, and we have to prove to him that we are honest before confidence is established.

When we got possession of the Philippines a great number of camp followers and adventurers went to Manila, and when Judge Wilfey was Attorney-General he started to clean up the town of Manila of disreputable characters. They nearly all found their way to Canton and Shanghai, where they were welcomed by our representatives. American morality got so bad that the other nations appealed to President Roosevelt. He got Congress to establish an American court in China, and Judge Wilfey was sent to clean up the towns, which he did in such an efficient manner that the bad element had to move again.*

For details of his work I would refer you to the article published in the September number of the "Cosmopolitan" for 1916, entitled, "The Worst Hated Man in China."

You will hear the missionaries abused. If you trace those accusations down you will find they emanate from the vicious classes—dishonest and disreputable Americans. I have been told by both Japanese and Chinese gentlemen, "if those (meaning the ones described) are a sample of Christianity we want none of it." They all admit, however, that most of the merchants and missionaries are good men. Now, in closing, I have something to say of the men who stir up class hatred at home, and especially those who do their best to stir animosity between our nation and the Orientals. They are vipers, and like rattlesnakes, should be exterminated. A great source of irritation has been engendered by our immigration officials. Their acts brought on the boycott of American goods, which starting in Canton, spread over nearly all China, paralyzed our trade, and we have never been able to fully recover it. At that time our flour

*At this writing (1917), I am pleased to report that the Americans in China and Japan are a very superior lot of men and are a credit and an honor to our nation.

trade to Southern China went to Australia, and has been retained there ever since.

This was brought on by the tyranny and brutality with which our immigration laws were enforced. At that time all the officials below the Secretary of Commerce and Labor were recruited from the labor unions. When the matter was fully explained to our President, a circular was sent to all the officials notifying them that if any one ill-treated or abused an Oriental he would be instantly dismissed. On this being made known to the merchants in China the boycott was declared off. The law is the same, only the unjust administration of it was changed.

Chinese merchants and gentlemen of high class were ignominously thrown into detention sheds amongst the lowest classes of their countrymen. Trachoma is another favorite method for refusing to allow those to land who are otherwise entitled to land. The officials declare the eyes of the immigrant are affected and this decision is final, no matter how many experts or specialists declare the eyes are not affected. Take this matter home to yourselves. How would you like on your arrival in Japan to be thrown into a filthy detention pen because some ignorant, designing immigration officer declared you had trachoma, when, if you were allowed, you could easily prove you had no disease. I mention these matters so that on your return home you will see to it that no foreigner will receive injustice at our hands.

Another matter, and I am done. I have learned by long intercourse and dealings with men of all nations that because a man has a yellow skin he is not, as many of our countrymen suppose, a man you cannot trust, dishonest or disreputable. Some of the finest and best gentlemen I have ever met are Japanese and Chinese. I am also pleased to be able to say the same for a great many Americans, but if you wanted some of the worst men imaginable you need not leave your own country to find them. So, to sum the matter up, there is good and bad in every nation under the sun, and I would ask of you to judge all men fairly and let every one of us do his utmost to establish friendly relations with the Japanese nation, and as a result, trade will surely follow.

On October 12, 1908, we arrived in Yokohama, where we were given a reception on the hatoba (landing). We were received by a deputation from the principal Chambers of Commerce of Japan and also by the Governor of Kanagawa and the Mayor of Yokohama. They presented us with an illuminated address and each of our party received a gold chrysanthemum pin.

At this time the relations between the two nations were very much strained on account of the school question in San Francisco, and it was considered very uncertain what kind of a reception we would receive on this account. Our Ambassador, Mr. O'Brien, was extremely anxious that we should be most discreet in what we said. He sent for me immediately on my arrival and requested me to come to Tokio. He fully explained the condition of affairs and I assured him we would be extremely careful, and also told him that on the way over addresses had been prepared and a censor committee appointed, of which I was chairman, and that no addresses would be delivered without first being passed on by the committee.

The crucial point was reached next day when we were given a great reception in the Stock Exchange, where were assembled the business men, not only of Yokohama, but of the adjoining cities. Addresses were made by officials of the exchange and other dignitaries, and it fell to my lot to make the reply on which would depend very largely the kind of reception we would get.

It so happened that what I said was very favorably received and was immediately published in all the Japanese papers, the effect being that the Japanese decided that we had come on a peaceable errand and there was no doubt but that our nation was extremely friendly. By exercising great care in subsequent addresses this opinion was confirmed.

That evening we were entertained by the Chitose Club and given a real Japanese banquet followed by a theatrical performance.

The city was magnificently decorated, and surpassed anything we had ever seen in our own country. There were scores of arches built across the streets, each beautifully

BUDDHA

The Central Figure in a Group of Three, Temple of Mendoet, Java
This Colossal Statue was Carved in 750 Anno Domini

decorated with flags, flowers and lights. Thousands and thousands of flags decorated the arches, and many were given to us. Each member of the party was presented by the Minister of Railroads with a case containing a silk pass, good on all the railroads in Japan.

TOKIO

We then proceeded to Tokio. Every city on the way was gorgeously decorated. Tokio was ablaze with color. The great Mitsukoshi department store was closed to the public when our party visited it. No goods were sold, but it was beautifully decorated and several bands were in attendance. To show to what extreme they went to entertain us, near the store a covered pavilion was erected where a number of potters made plates and bowls of pottery and asked us to place our monograms on them. Later they baked these and sent them to us at our hotel.

The climax was probably reached here at a luncheon given by Baron Komura, Minister of Foreign Affairs, which was by far the most magnificent function we ever attended.

When the party proceeded to the banquet hall Baron Komura took Mrs. Dollar in and the rest followed, each lady escorted by a Japanese gentleman. The banquet room was in the garden where a pavilion had been erected for the occasion. In the center of the garden was a large growing tree wonderfully decorated with artificial cherry blossoms which gave the appearance of a cherry tree in spring. The room was lit with electric lights of different colors representing the many brilliant flowers of Japan. The whole effect was so unique that it is impossible to describe it—suffice it to say that it was the most wonderful thing of the kind any of us had ever seen. It was said to have cost $2500.00 to light it, and all this great expense was gone to just for this one entertainment.

The proceedings of the luncheon were quite formal. Baron Komura offered a toast to the American nation and

the President, when all the guests rose and stood while the band played the "Star Spangled Banner." Mr. O'Brien then offered a toast to His Majesty, the Emperor, and we remained standing while the band played the Japanese national anthem.

Chapter Ten

A CONTINUED ROUND OF ENTERTAINMENTS

That evening the Bankers Club gave us a banquet, Baron Takahashi presiding. At this banquet, by request of the Japanese, I delivered an address on shipping.

ADDRESS BEFORE THE BANKERS' CLUB

Your Excellencies and Gentlemen:

The subject assigned to me this evening is "Shipping." I consider this one of the most important that our respective countries have before them.

I know you don't want to hear any ancient history, but by way of illustration, permit me to take a few seconds in tracing the history of shipping as it has affected the nations of the world.

When the Assyrians were the leading nation their merchant marine was the greatest, centering in the Persian Gulf and extending their operations to China. After their decline the center of commerce was transferred to the Egyptians, who had many ships in the Red Sea as well as on the Mediterranean. Then the Phoenicians got the largest merchant marine and became the greatest commercial nation in the world, the center of their commerce being the great cities of Tyre and Sidon. Their country was very small, not much larger than the Island of Kiusha, but their ships made them great merchants. Then followed in succession Rome, Spain and Holland, the last two named sent ships as far as Nagasaki. These in turn declined and the prize was won by Great Britain, which still retains it by all odds, she having as much steam tonnage as all the other nations put together, and to illustrate that it is not the size of the country that counts, we could put Great Britain in our Lake

Superior and there would still be room enough for navigation.

This brings me to the Pacific Ocean, and I want to make this prediction, that just as sure as the center of commerce shifted from the Mediterranean to the Atlantic, so sure will it shift to this Pacific Ocean. When this takes place the right to this commerce belongs to Japan and the United States of America, as we are on its shores.

In looking at the map of Asia I cannot help thinking what a similar position Japan occupies to Asia that Great Britain occupies to Europe. Japan is well named the Britain of the Orient, and you are making determined efforts to increase your merchant marine.

Turning to America, it looks discouraging. But we will yet have a merchant marine worthy of our country and will assist you, or should I rather say work hand in hand with you to develop and hold what rightly belongs to us both. We once had the largest and best merchant marine in the world, but various causes combined to change our position. The Civil War was the principal cause of the change; then the evolution from wood to steel, and next the development of our continent in the way of railroads, *et cetera,* all of which fully occupied our attention.

You older men will recollect when you learned geography at school, there was a blank space, about one thousand miles wide by nearly two thousand miles long, that was marked the "Great American Desert." That has now been changed to populous and prosperous cities, with railroads running through it in all directions. That was the work we were doing while we neglected both our foreign trade and ships. Now the time has come when we need foreign trade and the building of ships will follow.

It is a common thing for merchants to say that it does not matter what nationality the ship is that carries the freight. This is a mistaken idea, as the owners of ships are bound to work up business for their own country. An owner's financial existence depends on procuring cargoes for his ships and keeping them going, and it often happens when the owner can't get cargoes he is forced to buy them

BUDDHA

One of a Group of Three in the Temple at Mendoet—Java

on his own account, thereby stimulating and increasing trade. And, as shown in the first part of my address, the nation that has the largest merchant marine is the greatest nation.

This has been the history of every nation from earliest times to the present. So let our respective countries build up our merchant marines. Let us have fair and honorable competition.

Competition is said to be the life of trade. The more honest competition we have the better friends we will be, thereby strengthening the ties that bind us together, namely, Trade, Commerce and Shipping; of the three, the greatest of these is Shipping.

Ship-building and ship-owning is in a constant state of evolution, and unless we keep up-to-date we become a back number. A modern steamer is no sooner completed than some one builds a better and more economical one. You all recollect when we had the one-cylinder condensing engine. This was superseded by the two-cylinder compound, which we thought perfection in the way of economy, but it was no time till the triple expansion engine was invented, which uses the steam three times. Now we have the turbine for fast steamers. It is still in its infancy and experimental stage, and we will see great changes in it in the near future.

So, to sum up, the individual and the nation that can build, man and manage their vessels in the cheapest and most economical way will be first in the world's commerce, and the nation that has the largest merchant marine will certainly be the greatest, so I conclude by wishing you every success in upbuilding your merchant marine.*

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*What a sad commentary on our Congress. Since this speech was delivered many bad and vicious laws have been passed to further tie up the hands of American shipowners, while Japan, appreciating the importance of a merchant marine, has enacted favorable laws and has done everything possible to help their shipowners.

The Department of Commerce gives us the results of trade to and from the United States, as follows:

Before the war, Japanese vessels, 26.05%
May 1, 1917, Japanese vessels, 50.90%
Before the war, American vessels, 26.10%
May 1, 1917, American vessels, 1.97%

Surely comment is unnecessary with such a showing as this.

This banquet was served American style. All representatives of the press were excluded, to which they took great exception, but the bankers wanted to have a heart to heart talk with the Americans and it was well the representatives of the press were not there as the Japanese insisted on our telling them why the Japanese merchants were so unpopular throughout the world, which we did. The bankers stated they were of the same opinion, and were doing all they could to remedy matters. (I am very pleased to say that to a very great extent this has been accomplished.) This meeting was productive of beneficial results to both parties.

The following day we were entertained at lunch by Baron Shibusawa, rightly called the "Grand Old Man of Japan," at his beautiful home on the outskirts of Tokio. His large grounds were beautifully decorated. Luncheon was served, and afterwards a great theatrical performance was given us. After the luncheon, the Baron delivered an address.

A coincidence, which occurred while we were in Tokio. was the arrival of the American fleet on its way around the world, which put in at Yokohama while we were there. This added greatly to the interest in American affairs at this time.

We were entertained in the grounds of Baron Iwasaka. His are probably the largest private grounds in Northern Japan. They are beautifully laid out with small lakes and streams in the Japanese style. At this time Baron Iwasaka was President of the Nippon Yusen Kaisha.

On our return to the hotel from this visit we had our greatest surprise. Four gorgeously decorated and electrically lighted cars, that had been trimmed at an expense of $400.00 each by the Tokio Railway Company, were waiting for us, the street car service was suspended, and we were taken all over the city car system. Both sides of the streets were lit up in a multitude of colors, and we were told afterwards that the people were all requested by the police to stand on the sides of the streets until our cars passed. We did not know this for some time, but we had noticed the crowds in passing along and had come to the conclusion that the

whole great population of Tokio was standing on the various streets to see us pass. This was the climax, and none of us (I think I am quite safe in saying) had previously seen anything to come up to such a demonstration and perhaps never will again.

We were then taken to the Chamber of Commerce building, where a great platform had been erected for our accommodation in front of the building. When we arrived the passing of the guilds began in a great lantern procession which was a wonderful transparency. We sat there for three hours while the multitude passed before us. There were many thousands of them, sometimes twenty-four abreast, so one can imagine the number that passed in three hours' time. From there we went to the theater where another great demonstration awaited us.

Mr. Asano, President of the Tokio Kisen Kaisha, gave us a luncheon at his beautiful mansion, and Admiral Togo, the hero of the Russian fleet battle, gave us a reception at his residence where we were entertained by the Admiral and Countess Togo.

We then left Tokio for Kyoto, stopping at the various large cities on the way. This city, like all the others we had visited, was beautifully decorated. We were accommodated in two hotels.

The day after our arrival we were taken to Nodzugawa at the head of the long rapids, where gaily decorated boats were provided and we were run through the rapids, which was a unique experience. A Japanese gentleman was in the boat with me, and after looking at me for a long time he said, "I think you are Mr. Dollar." I learned that he was Dr. Harada, President of Doshesha College, one of the most prominent men of Japan.

Our becoming acquainted was in a way that neither of us would forget, because he was one of the passengers on the steamer "Roon" which I rescued and took to Moji on the steamer "M. S. Dollar." We have been the best of friends ever since.

The next evening we arrived at Osaka. The entire city was illuminated, and presented a beautiful appearance as we

passed through on the train. Here we were given a banquet on our arrival at the hotel where I addressed the assembly. The large hall was full to overflowing and it was difficult to make all hear.

ADDRESS AT DINNER, OSAKA, OCTOBER 30, 1908

Mr. Chairman:

We are very pleased to be in your city tonight for various reasons. First, on account of your ancient history which your President tells us dates back about two thousand years, and still more modern when the present city was established about three hundred years ago. Our country is very much younger, as it is only a little over four hundred years since Columbus discovered America.

Your President has also told us that the civilization of Japan came from this town as you have always taken an active part in politics, literature, religion and economics. In the last named you excel all the other cities of Japan, and we in America consider the city of Osaka of greater importance than any other city in Japan from a manufacturing standpoint as well as a commercial center.

Out of the goodness of your hearts you have shown us the most beautiful places in your country, and I am sorry we did not have more time to see and study your manufactures, as, being all practical men, we are especially interested in your city.

When we received your invitation you stated that the object of our visit would be to establish more friendly relations and that the two nations should get better acquainted with each other. We followed the text of your invitation to the letter and intended to confine our efforts to the one object; namely, to increase the friendship between us. We had not been in your country more than three days when we discovered that the friendship existing between the two nations, especially on your part, was so great that any efforts we might make would be superfluous. The receptions which you have given us and the cordial manner in which we have been received everywhere, from the highest to the lowest,

THE OLD PALACE—KYOTO
The Seat of Government when Admiral Perry Opened the Ports of Japan to the Commerce of the World

THE MAYOR OF KYOTO AND HIS WIFE
Escorting Mr. and Mrs. Dollar and Friends Through Their Garden

have convinced us beyond a question of a doubt that the friendship between us is firmly established.

We have had ovations, which no member of our commission has ever seen excelled, in any country. The enthusiasm which has been displayed all over your country convinces us that your reception has been genuine and there is no doubt existing in our minds but that you are sincere and that it comes from your hearts. The reception given us on your streets tonight I am quite safe in saying was greater than was ever given a body of commercial men in the modern history of the world.

We thoroughly appreciate, however, that the great demonstrations which we have received everywhere are not on account of us personally, as we would be undeserving of any part of it, being only merchants and citizens like yourselves, but we understand that the great receptions have been tendered us on behalf of our country from your nation.

When we found that we could do nothing more in the way of friendship, we looked forward to see how we could better our commercial relations. We, as a nation, are extremely anxious to increase the commerce between our countries, and we hope before we leave you to learn something that will enable us to accomplish this result. We will be very pleased also to give you any and all information in our possession and to assist you in arriving at this desirable result.

The trade between our countries has been steadily growing but our wish is that it will grow faster, and we look to the merchants of Osaka to a great extent to accomplish this result.

Seeing that you are the great manufacturing center of this country, you have justly been called the "Manchester of Japan." Osaka is the greatest ship-owning port in Japan, and on account of this you may hope to increase your trade, as the city that has the largest amount of shipping is always the greatest, commercially. Being a shipowner myself, I condole with my fellow shipowners on account of the depressed condition of business, but we have reached bottom and will soon have an improvement.

In conclusion, I would impress on you this fact, that before nations can increase their commercial relations they must be friendly. This Commission has come to the conclusion that nothing more can be done in the way of increasing our friendly relations. Friendship has reached its zenith here. Therefore, all that remains for us on both sides of the Pacific is to strain every nerve in our power to increase commerce.

We are sorry that we have not more time at our disposal to study more fully the conditions in your city so that we could better understand what you want to buy and sell.

By this time our party had been worked to death and we were all worn out. The next day we spent visiting the sights of Kobe where there was much of interest to be seen. The great shipyards, cotton mills and various industries, in both Osaka and Kobe gave us a good insight into the great manufacturing possibilities of this country.

Chapter Eleven

PERSONAL COMMENTS ON JAPAN

The following is an exact copy of a letter that I sent our San Francisco office while on this trip. It will serve to show the great change that has come over Japan during the past eight years.

Osaka, Japan, November 15, 1908.

The next day Saturday, it was raining, making it disagreeable to get around. However, a great many of our party visited the Stock Exchange and Mint, where a special cash medal commemorative of their visit was presented to each. Unfortunately, I was laid up with a terrible cold. Many of the factories were visited. This city is the manufacturing center of Japan. In certain lines there is more doing in Osaka than all the rest of Japan put together, principally in cotton. They also supply the whole Orient with matches, but every manufacture is represented here.

They have built a good breakwater, taking in ground enough to make a very large harbor, but it all requires to be dredged out, and while they are working at it, it is on a very small scale on account of the lack of money. Taxation is so high that they are practicing economy in everything, and work is cut down all along the line. It is most unfortunate that such an important and necessary work should lag. There is water enough for a few ships of deep draft; you will recollect before the war that the steamer "Stanley Dollar" took a full cargo of barley here. There is no reason why Osaka should not eclipse and take most of the trade from Kobe (twenty miles distant) as Osaka is where the raw material is destined. They bought over thirty million dollars worth of raw cotton last year. The manufactured articles are shipped out principally to China, but a good deal goes to our country. So Osaka should and will be the principal seaport of Japan in time.

They are very well situated to handle freight. The whole city is a series of canals and the lighter goes directly to, or from, the factory and warehouses, two men moving one hundred tons by poling the boats as easy as one ton can be moved in our city, and hundreds of tons will be moved at half the cost we can move one ton. It occurred to me what a pity it is that our Channel Creek has not been extended and an outlet to the Bay made near the Union Iron Works, thereby giving us great facilities for warehousing and handling freight. It looks to be a great disadvantage in the Orient that our big steamers have no wharves to go to, but when we consider the quick dispatch we get from the multitude of lighters which come alongside, and then consider that those lighters take the freight right to where it is wanted without handling, it is easy to see the great advantage this system has over discharging at a wharf and hauling at heavy expense everything from there to the factory or warehouse.

This city is a great hive of industry, and when we consider that the very highest paid mechanic only gets 75c gold a day and girls from 10c up to 25c, it is no wonder that they are able to work up an enormous trade, and they will hold it, too. To be sure, since ten years ago, wages have doubled, but they can still take a further jump before they come in competition with our high paid labor. So to compete we must look to branches of manufacturing where labor does not count but where machinery takes the place of labor. Then again the Japanese are in every country in the world looking for improved machinery and ways of bettering their manufacturing. So it is not an easy matter to foresee what changes are going to take place.

One thing that is grinding down Japan is the very high taxes they are groaning under to pay their war debt interest. It is certainly a terrible load they are staggering under. This has raised the price of living, they claim, 10 per cent in the past two years. However, the poor people get on with very little rice and fish, a little calico, wooden shoes

and bare heads. Most of the good rice is exported, and inferior, cheap rice is imported.*

They are paying great attention to education. I notice many large schools have been built since my last visit, and as education is compulsory all the younger generation is in school and a very large number are learning English.

We left Osaka in the evening, on the electric cars, and had a great ovation at every station along the road. We only stopped at a very few, but the crowds were there all the same. At Kobe, the Governor of Hiogo, the Mayor and civic authorities met us at the station and welcomed us to their city. The native city was decorated, but not nearly as well as any other place we visited. There were crowds on the streets and a great crowd at the station, but in the foreign part of the town there were no signs of welcome of any description. So it was very plain, as far as the English, Germans, *et al.*, were concerned, we were not wanted. In fact, *personae non gratae*, and in conversation later on I found they threw cold water on our reception, and said the Japanese were not glad to see us, that we were not welcome, and that out of courtesy the Japanese were keeping up appearances, etc., etc.

However, there were enough old men amongst our number who had seen lots of the world and no people could deceive us for any length of time, and no one can make me believe that the common people of Japan are not in dead earnest; and the merchants are to be so greatly benefited by our friendship that they can't help but be friendly, but there is no influence or interest that would make the working classes friendly to us except clearly out of their hearts. At all events nothing could convince us to the contrary, and our visit through the country has stirred up more good feeling than if our country had sent a half dozen fleets, and I think

*It is an ill wind that blows no one any good. The European War came on. Russia wanted what Japan had, so enormous sums were poured into Japan's coffers. Strange to say, Russia helped Japan to decrease her indebtedness caused by the Russo-Japanese War.

it a very good sign that the Europeans did not take kindly to our visit, as they fear to be hurt by the after results, which I for one feel sure will be greatly to the benefit of our nation. So I think the money we have expended will be the best investment we have ever made for our country.

Next day the Nippon Yusen Kaisha fitted out one of its best steamers and invited the prominent Japanese of Osaka and Kobe (I think there were probably two hundred and fifty on board) to accompany our party on a trip. They steamed down the Inland Sea and back; had a great banquet, brass band, and everything that would add to our comfort and enjoyment. We had a splendid time and with all, a very profitable one, as we had plenty of time to get acquainted with the various gentlemen, and much benefit was derived from a free exchange of views. In my line I had some interesting talks with the general managers of the Nippon Yusen Kaisha, Mr. Kondo and Mr. Harada; also Mr. Kafuka of the Osaka Shosen Kaisha who are building five steamers for the Puget Sound, Milwaukee & St. Paul route. They have to commence next May and won't be ready, so are chartering steamers in England to fill in until their own are completed. The Kawsawaki Dock Company built two, and the Mitsui Bishi Company at Nagasaki three; one or more are turbines, but they will only do about thirteen knots—economical steamers.

They are all very much troubled over the action of the Interstate Commerce Commission, as they don't know where they stand, as the proportion they will get for the steamer haul will be only $2.00 a ton measurement on matting. Everything else is in about the same proportion. This is impracticable, but I told them I could not see why Jim Hill and the Pacific Mail could not carry for nothing and get the pay out of the rail haul, and then they would have as much as before, but the Japanese immediately asked, "Where do we get off on a deal of that kind?" I replied, "You are only getting half of what you got before and the railroads are getting more than they ever had;" so there is a

great uncertainty of commerce. They fall back on the subsidy, but that won't run their vessels alone. The builders' subsidy is not as good as it appears, as they have to import all the steel and pay 25% ad valorem duty on it. This cuts quite a hole in the builder's bonus. The subsidy figures out as follows: Say on a 7000-ton dead weight steamer, estimating her gross measurement at four thousand tons:

Builder's Bonus 10-Knot Boat:	Gold Dollars
Gross tons, 4000 @ $10.00	$40,000.00
Engines say 1500 I. H. P. @ $2.50	3,750.00
	$43,750.00

The shipbuilder would have to pay in duty approximately $20,000.00.

A steamer of the above size on the round trip run from Japan to America, 9000 miles @ 20c, $1800.00; say four trips a year, $7200.00. This is operating subsidy.

But vessels of great speed profit much more, as for every knot over 10, add 20%; so the subsidy on a 15-knot steamer would be double.

After a ship is five years old the subsidy is reduced 5% a year. A foreign-built ship gets half of the above provided she is owned by Japanese; over five years old she gets nothing. They are determined to get a large merchant marine, thinking that their nation can not be truly great without one. It is certainly commendable the efforts they are making when their country is burdened by a load of taxation which they can scarcely stagger under, and they are paying out large amounts every year to keep up what they have and to build more. Compare that with our great, rich nation. Our Congressmen pass laws that make it almost impossible to operate the few ships we have. Since we left home we have not seen one American flag on a merchant ship, and perhaps won't see one until we get back, unless it might be on a Pacific Mail boat.

Times have been very hard in Japan, but they all report a slight improvement. So the bottom has been reached and it is quite likely that business will revive all over the world.

At home, since Mr. Taft and a Republican House and Senate are elected, our people will have more confidence and no doubt the revival will be faster in our country than in most others.

Kobe harbor is the same as when here last. There is lots of room in the bay, but when a storm comes up no work can be done. Shipping is scarce, not more than half the usual number. I noticed they were nearly all large steamers, not many small ones. Evidently the hard times had squeezed the small ones out.

The transportation facilities afforded us were of the best. A special train was provided for us on all occasions with a dining car attached, and all meals were furnished free of charge, liquors and wines also being furnished. I am very pleased to report that I never saw so little wines and liquor used on any trip of this kind, seeing it was furnished free, and they were very much surprised that practically none was used. The street car companies always provided special cars whenever they knew a few of us were going anywhere.

We left Kobe on the "Kosai Maru," Nippon Yusen Kaisha boat, for Shanghai via Moji and Nagasaki, November 7, 1908.

(Signed) ROBERT DOLLAR.

Our party wound up the trip by attending the Emperor's birthday party. The review of twenty-five thousand troops was a great sight to see. So ended a visit, the like of which, I am quite safe in saying, no foreign party ever received from any nation before.

Mrs. Dollar and I left the party and proceeded to Shanghai, where we remained two weeks attending to business. Our offices at this time were at the corner of Sezchuen and Nanking Roads.

I was invited to attend a meeting of the Chinese Chamber of Commerce and explain to them about our visit to Japan. I told them of the great benefit it had been to both the Japanese nation and the United States. I stated that

when I returned to America I would see whether it would not be possible to get up a party to visit China along the same lines on which we had visited Japan.

We then proceeded to Hong Kong and remained there a week. This was a very busy week as I had a great deal to attend to. From there we sailed on the "Yawato Maru" for Sydney, Australia. We had a very rough passage across the China Sea and the ship sustained some damage so we were delayed a few days in Manila for repairs.

I looked over the situation here and found many changes had taken place since I last visited it seven years ago. At that time the Government became possessed with the insane idea that the higher the tax they could impose on shipping, the better. This seems remarkable, since the port of Hong Kong, their next neighbor, admitted shipping free. The result was that vessels went to Hong Kong and gave Manila the go-by, causing the Manila merchants to pay double the freight Hong Kong had to pay. But shortly before this visit the authorities had gotten their eyes open and had reduced their charges almost to their competitor's level, the result being the reduction of freights, and vessels now go freely to Manila.

Another serious drawback was the very slow discharge. A vessel took more than twice as long and the cost is double to discharge at Manila compared to any Chinese port. All this is changed now. Though it costs more to stevedore, the dispatch is much better than it was, and Manila now begins to compare more favorably with her competitors. Furthermore, I found a desire on the part of the Government as well as the merchants to encourage shipowners to send their ships there. The Government discovered that shipowners did not have to go to ports unless they would be assured of the same treatment they received elsewhere. The result of all this change has been a tremendous increase in the commerce of the Philippine Islands.

The change impressed me so favorably that I decided to look into the Philippine trade, as Mr. Taft practically told me on his arrival to be Governor, that American shipowners

were not wanted. He had the foolish idea that the poor Filipinos would be able to furnish all the ships they wanted, although they neither had the experience, money nor get-up. (All this has been fully demonstrated of late years. Where we are not wanted is a good place to keep away from, which I did from the Philippines for seven years, but now we are back and doing a very satisfactory business.)

Chapter Twelve

A VISIT TO AUSTRALIA--1908-1909

We arrived at Zamboango, the principal city of Mindanao, shortly after dark, the day after leaving Manila; saw the lights and that was all. Our course took us through the Sulu Sea and Archipelago and the Celebes Sea and through several of the Dutch East Indian Islands, thence to Torres Straits. We called at Thursday Island, which is in the extreme northeast corner of Australia. It is a small village of about fifteen hundred inhabitants. The only industry is the pearl fisheries which is carried on principally by Japanese, so the settlement is made up mostly of that nationality. They intend prohibiting them from engaging in the work, but as the whites cannot dive to the depths that the Japanese can the industry will likely die out. This is one of the benefits arising from white Australia.

The channel is well buoyed, but we took a pilot and went in alongside the wharf, although there is good anchorage near it. One thing I noticed was five old hulks of vessels dismasted and partly submerged that had come to grief in the vicinity. The water is very clear and of a very light blue color. The town is well laid out with very wide streets, but still in their natural state. The buildings are one-story shacks of very light wooden frames and corrugated iron roofs and sides, giving the place the appearance of a new mining town that is anything but stable. So if the Japanese must leave, they would not leave much behind. It is very hot here all the year round and it is anything but a pleasant place to live in. The British have a strong fortification here, the reason for which I cannot understand, as there is nothing in particular to protect.

From here we sailed along the coast of Australia inside the barrier reef which extends one thousand miles along

the coast, from five to twenty miles off land. This is the most peculiar freak of nature I ever saw. In most places the reef is made up of low, flat islands covered with small trees; in other places it is partly submerged, but always connected and only in a few places are there deep channels that a vessel can use. We coasted along three days close to land and often close to the reef. In many places the passes are quite narrow and the scenery is beautiful. Our pilot from Thursday Island went right through to Sydney with us.

We called at Townsville, three days from Thursday Island, a distance of about seven hundred miles. This is quite a smart place, with very good substantial buildings, fine wide streets, and a population of about four thousand. They have some very good stores—mostly English goods. When we were ashore it was comfortably warm, but they told us that the week before had been a scorcher. The general appearance of the place gives one the impression of prosperity. There are several good mining camps tributary to it, also a good cattle country. Our steamer laid to anchor about three miles out in four fathoms of water. Six coasting steamers were inside of the breakwater. There are seventeen feet of water at low tide, going in, and at the railroad wharf twenty-two feet. Three dredgers were at work, and two large scows had a row of drills fitted on their sides and were drilling holes eight feet apart, as the bottom is rock and has to be blasted out—a very expensive way to build a harbor, but the only way to do it. They hope to make a uniform depth of seventeen feet at dead low tide, and with the six feet rise, twenty-one or twenty-two feet draft steamers can get in at high tide. Then they will blast alongside the wharves to twenty-two feet at extreme low tide so that vessels of twenty-two feet can enter and lay afloat alongside the wharf. They have a big job ahead of them as at three miles out there are only twenty-four feet, so it deepens very slowly.

I have gone into this description fully as they attach considerable importance to the place, and also because there is no authentic information obtainable except by coming

here. At present all large steamers lay off three miles. The coasting steamers are the only ones that come in. They are a good deal like the Pacific Coast boats, of six hundred to fifteen hundred tons net register and fitted to carry passengers.

BRISBANE

From Townsville we coasted along not very far out at any time, although the Barrier Reef does not extend any farther south. Brisbane is six hundred miles from Townsville and four hundred and eighty-five miles north of Sydney. The approach is buoyed out, showing several shoals and is very crooked. The distance on the course is almost double that on a straight line, and is well lighted by several lighthouses and range lights.

The city is about twelve miles up the Brisbane River. There is a small place about four miles from the mouth of the river at which there are some meat freezing establishments, but nothing more. There is a railroad wharf at which our steamer landed, and I noticed the price for wharfage was $2.50 gold, an hour, for vessels over one thousand tons. The railroad connects this village with Brisbane, trains leaving every hour. We had only two hours in Brisbane, but we drove around and saw the residences. They are nearly all unpretentious and no really fine ones. All the buildings are roofed with white corrugated iron, which gives the town a cheap appearance. The business buildings are solid and substantial, giving one the impression they are put there to stay; all are of stone and brick. The public buildings are a credit to the town. Parliament Building of Queensland, Treasury Building, Land Office, Agricultural Exposition Building and Postoffice are all fine buildings. The streets are wide, well paved and clean. Outside of the wooden buildings the town has a very distinctively English appearance. The people, their speech, carts, wagons, cabs, railroad equipment, all speak very plainly of their origin. They look to be a prosperous community, and there is certainly a great future in store for it. All they appear to want is people.

It is a large country with less than five million people. They have many natural resources and all they need is a population to develop the great continent. An arrangement was made with a steamship company to bring in two hundred a month. This was denounced by the labor unions, stating that the country could not stand so many. They want a monopoly. The unions seem to have control of the Government, and it appears to have some able men. They don't appear to have taken to graft as our labor leaders have done, and while wages are high they are not nearly as high as in California.

The weather is very much like that of California; being south of the equator, the farther south we go the cooler it gets. We left the "Yawato Maru" at Sydney.

PORT ADELAIDE

We next visited Port Adelaide, which is situated to Adelaide as San Pedro is to Los Angeles, connected by rail, with a half hourly service. The port is up the river ten miles. What is called the outer harbor is inside the mouth of the river, but is only an anchorage. Then there is the outer anchorage. The inner harbor has several channels dredged out where ships load and discharge at various docks. As the steamer "Bessie Dollar" was going into one of those channels to go to the lumber yard she grounded going through one of the bridges which was only five feet wider than herself. She could neither go ahead nor back, so she stopped all traffic for one tide, when she floated and went ahead. The bottom was soft. Vessels drawing twenty-five feet can go into the inner harbor and if the channels were dredged out properly vessels could go with full cargoes to any dock.

On the way to Port Pirie we called at Port Lincoln. This is a small town of one thousand inhabitants. It is an old setlement but did not prosper until recently, when the Government built a three foot, six inch-gauge railroad forty miles back into the country, which opens up a good farming district. They are now exporting wheat and wool. The buildings are solidly built of stone and brick, but it is a

quaint old-fashioned place. There are two banks, a good wharf with thirty feet of water at which a four hundred foot steamer can dock. The railroad owns the wharf, or rather the Government, as all the railroads and wharves are owned by the Government. They claim it will be a place of some importance when the farming country is developed, but everywhere we go we see a great lack of people.

The entrance to the harbor is very good. A large island is in front of it and it can be entered from either side. It is perfectly land locked. This port is one hundred and seventy-five miles from Port Adelaide.

We next called at Tumbay, thirty miles further on, which is now a small country village without a railroad. Very little development work has been done, but they have a good agricultural country back of it; in fact, from the deck of the steamer we could see a fine level country, white with the crops of ripe grain. This would apparently be a fine fruit country, but they have not tried it to any extent, yet.

Wallaroo, which is on Spencer Gulf, was our next port of call. It has a wharf one hundred feet wide, and much exposed. As it was blowing a gale of wind it was not easy to make a landing. Three sailing vessels and a steamer were here loading wheat; the steamer, about seven thousand tons. The farthest out berth has thirty feet and the inside one twenty feet at low water. The total length of the wharf is half a mile, of which one thousand feet is used to load and discharge. There are smelters here, and we got one hundred and fifty tons of copper. The town is small and scattering and doesn't amount to much, but it is the terminus of a narrow gauge railroad which runs through a rich country. Large quantities of wheat are shipped from here.

Germain is a small village, with a wharf one mile long. There are twenty-two feet of water at the outside berth. Two square riggers were loading wheat here. Great quantities of wheat were piled up in vacant lots in the village, thirty feet high, and wagons with six yoke of oxen and some with three teams of horses were hauling in large loads. No railroads run into the interior although a railroad is on the wharf, but it terminates in the village. This village is

backed up by a beautiful rich farming country. A range of low hills was in sight back of it. They told us it was a rich, level country producing wheat and fruit. Steaming along the shore to Port Pirie, eight miles distant, we could see a fine farming country all the way.

PORT PIRIE

The entrance to Port Pirie is mud, dredged out one hundred and fifty feet wide and fifteen feet, six inches of water at extreme low tide. It is crooked but very well buoyed and marked out. It is dredged wide enough at the town at one place so that the steamer "Bessie Dollar" turned around, but altogether the channel and harbor are narrow and cramped. There were eight steamers here, one larger than the "Bessie Dollar," and two large square riggers. Considerable wheat and wool are being shipped, and the smelter (second largest in the world) ships a large quantity of lead, and uses a great quantity of coke and coal. All the mineral from the Broken Hill country comes here to be treated.

It is a well built town of ten thousand people, with wide and good streets, but is entirely controlled by the labor unions. Stevedores commence at 8:00 a. m.; at 9:00 they have twenty minutes to rest; dinner 12:00 to 1:00; at 3:00 p. m., twenty minutes to rest. Overtime, if less than half a day—we pay half a day. An agitator was lecturing the men to strike for six hours a day. Timber is piled with one and one-half inch strips between layers and dried, to save freight on the railroad, as it has to be freighted some fifty or sixty miles and they carry it by ton weight. The rates on the railroads are very high. The Government has no competition, and will allow none so they charge what they like. Each state has a different gauge, so in crossing a state line you have to change cars and all freight has to be transferred, which makes cheap rates impossible. The gauges are three feet, six inches; four feet, eight and one-half inches, and five feet, three inches.

Before the confederation, each state had a tariff against the other, and even now a postage stamp bought in one state will not be accepted in another. It costs two pence for

E. K. HOWE OF THE ROBERT DOLLAR COMPANY DRUMMING UP TRADE IN NORTHERN CHINA

a letter from here to Sydney and from Sydney here one penny; Queensland postage is one and one-half pence. They all appear to be at sixes and sevens, and there still is a good deal of antipathy shown against each other. This state (South Australia) is two thousand miles long and has only four hundred thousand inhabitants, but they have two Houses of Parliament, an upper and lower house, besides the Federal Parliament for all the states.

MELBOURNE

Going into this port by sea I had a good opportunity of seeing the entrance of the bay and river. Like all Australian harbors there are plenty of lights and buoys. Melbourne is especially fitted up with range lights and range beacons so that a stranger could make no mistake in going in. However, as pilotage is compulsory a captain is not supposed to know anything. I have a very poor opinion of the pilots. One of them stuck the "Bessie Dollar" in the bridge at Port Adelaide, another ran her into the mud going out of Port Pirie, and still another, in trying to put her in the drydock at Sydney, a clear straight course for two miles, landed her broadside across the entrance, but did not manage to hit anything. And the worst of it was the captain of the steamer told him what would happen before he got near the dock. I told them they should have the dock entrance four hundred feet wide, then their pilots could get them in broadside, if they could not end on. However, there is one thing to be said in their favor, and that is their excessive charges—they can't be beaten.

The entrance is quite wide although half the distance is blocked by a bad shoal, but it is well marked. Hobson's Bay is the lower anchorage where sailing ships lie. The wharves are situated on each side, at the head of Hobson's Bay.

On the left side going up is Williamstown where there are a number of good-looking wharves, with railroad tracks on each. This place is connected with Melbourne by street cars, and is distant from the center of the city nine or ten

miles. On the right side is Port Melbourne, about four miles from the center of the city. There are only a few wharves, which appear to be used mostly for mail line steamers. The Yarra River, which goes right into the heart of Melbourne, is dredged out twenty-four feet deep, about two hundred feet wide. They are widening it to three hundred feet. The distance from the head of the bay to the head of navigation is from four to five miles. After the first two miles the wharves commence and are continuous.

The river banks are well protected with rip rap rocks, well placed and showing a smooth surface. In two or more places large basins are dredged out which accommodate many ships, but most of the loading and discharging (including lumber) is done alongside the channel and alongside wharves. Lumber is loaded on wagons at the wharves, which are four feet higher than the ship, the bottoms of the wagons being level with the floor of the wharf. It is on the same principle as the railroad sunk tracks at San Pedro, California. The wagons are left to be loaded and horses haul them away when loaded, replacing them with empty ones. About as much as one firm can handle is one hundred and fifty thousand feet a day, but, by loading consignments separately and at different ends of the ship, much quicker dispatch can be made.

Much better dispatch, however, can be gotten at Sydney, where the ship lays to an anchor and all goes on lighters, and there is no dockage to pay. The yards are all near by the timber quay so the haul is very short.

Melbourne is probably the best laid out city in Australia; fine wide streets, a number of small parks and squares with trees and shrubs, lawns, etc. It is a residential city, and many fine homes are in evidence. It appears to have a very good street railway system, although the charges are higher than in other places. There are many sea beach resorts, Coney Islands, etc. It was a different looking city than when we first visited it, as everyone was off on holidays and the city seemed deserted.

GEELONG

The entrance to this port is the same as Melbourne. Turning off to the left, about twenty miles inside of the entrance, it is dredged out so vessels of any size can go in at high water. This port is forty miles from Melbourne, with frequent train service. Little or no lumber is landed here, but as it has a population of thirty thousand no doubt some will go soon. A large amount of wheat and wool is shipped out, and it can be considered as one of the ports of Melbourne.

The population of Melbourne is about five hundred thousand, Sydney a little more, Adelaide about one-third as many. Melbourne is in the State of Victoria, and nearly half the population of the State resides in this city. Adelaide is in the State of South Australia, and has about one-third of the population of the State. The population of Sydney is over five hundred thousand, the entire population of the State of New South Wales being only 1,500,000. So that one-fourth of the population of Australia resides in the three cities of Sydney, Melbourne and Adelaide. Besides there are several other large cities—Brisbane, Newcastle, Perth, Fremantle and others.

NEWCASTLE, N. S. W.

We joined the steamer "Bessie Dollar" here, where she was loading coal. While this harbor is largely artificial, still in the early days the river was deep enough to allow the small ships of that time to enter. The Hunter River brings a great deal of sediment down, and it requires constant dredging to keep sufficient water for the large steamers using the harbor. The entrance is rocky, but is blasted down to permit a steamer going out on high tide, (medium) twenty-four and one-half feet, in spring correspondingly more. The "Bessie Dollar" went out when the tides were low on twenty-four feet, one inch.

They have many wharves, but the facilities are not up to the large amount of business they are doing. The wharves could do a great deal more business if the railway facilities

were up-to-date. They have the old-fashioned English system, using small-powered locomotives and cars that only carry six to eight tons each. Some of the new cars carry ten tons, but the cranes in some cases can't lift them and two tons have to be shoveled out. The body of the car is lifted with a crane and tipped into the hold of the steamers. Three new cranes are being erected that will lift fifty tons.

The manner of handling coal reminds me of doing with a wheelbarrow what should be done with a four-horse team. The whole system seems to be wrong. The coal people have to rent the truck for which they have to pay the Government $2.50 a week. Then the mines have practically no storage facilities worthy of the name, and as the coal is all handled direct from the cars to the steamer at port of loading there is really no storage capacity, only in the cars, and as they only average about seven tons to a car it is easily seen how delays to shipping are unavoidable.

To load the "Bessie Dollar" it took seventy-three hundred cars to carry her cargo and bunkers, so you can see that we were depending on the cars being loaded and unloaded several times and the coal being mined while the ship was waiting. What they should have is bunkers at Newcastle capable of holding one hundred thousand tons at least, and also bunkers at the mines sufficient to store a like quantity, then vessels could get despatch. Until that is done Newcastle will be a slow and expensive port for any steamer. Besides all this, the Government owning and operating the railroads puts a stop to all progress or improvement in that direction, as the Government does not differ from an individual or a corporation. When they have a complete monopoly the manager can sit back in his chair and laugh at all complaints and say, "Well, what are you going to do about it?" All this is a sad commentary on progressive white Australia, when the longest we ever had one of our steamers in a Japanese coal port was six days for seven thousand tons, but the ordinary time runs from four to five days.

The lay days in the printed form of charter party are colliery working days, that is, a half day Saturday, and every second Saturday, which is pay day, no work at all. Time

bunkering is not counted, first day twenty-four hours' notice not counted, holidays don't count, so from Christmas until January 5th are holidays, and they tell me that Easter is as bad. In a book issued by the Chamber of Commerce, which by the way is very instructive and well gotten up, they speak of the fast loading done in this port. This may be true of this port's own record, but comparing it with other ports in the world, the comparison would be very much against Newcastle.

The city itself is well built, good streets and stores right up-to-date. The buildings are good and substantial. Altogether the place gives one the idea of prosperity and solidity, and shows it has come to stay, and, if the railway administration would only wake up, Newcastle would be one of the foremost and best coaling ports in the world. Like all Australian ports, the port charges are high.

ZAMBOANGA

Zamboango is in Basalan Straits on the highway between Manila and Australia. It is scattered along the shore. In the center of the town are the Government buildings, Army headquarters, the seat of the government of the Province of Moro; General T. H. Bliss, Governor. We called in here with the steamer "Bessie Dollar" on the way to Hongkong from Newcastle. Not having clearance papers for this port, we were not entitled to land, but through the courtesy of the Collector of Customs, Mrs. Dollar and I obtained permission to land, and received every courtesy from the Governor and the American Government officials.

An old stone fort wall twenty-five feet high and about five hundred feet square, built some four hundred years ago by the Spaniards, is on the water front. There are two wharves, neither of them much good from a commercial point of view, as all large vessels have to anchor. The harbor is an open roadstead protected from the west by islands, but exposed on the north and south sides, especially to the southwest monsoons, so in winter it is a much better place than in summer during the southwest monsoons.

About four miles to the eastward an estuary comes in back of the town in which there is plenty of water. If wharves were built and the present excellent road was extended one mile it would make an ideal harbor. If commerce increases, a steam or electric road could be built making it more convenient than at present. Now, the chart shows twenty-seven feet of water at the shallowest place at low water.

A great deal of work has been done on the roads in the vicinity, and they have made some excellent ones. If they only keep up this good work it will be of the greatest benefit to the community and in the event of trouble a boon to the military. However, no trouble is anticipated as they claim the natives are getting satisfied and contented, especially where they are in close touch with the Americans. The Moros in the mountains and inaccessible places may give some trouble yet. If our Government would adopt the policy that the Romans had in colonizing: that is to build roads all through the country, this would have a more civilizing effect than anything else, besides it would open up the country to settlement and trade, and then to follow that up with railroads, troubles would be a thing of the past—from natives at least. There was but one automobile in the city, which was put at our disposal, so we saw all that was to be seen in the six hours we stayed there.

By Government statistics I see there is a considerable export of hemp and copra. For the last fiscal year, hemp, 892,667 pesos, and copra, 399,460 pesos, but it looks as if lumber would *or should* cut a very big figure.

MINDANOA

The Island of Mindanoa and adjacent islands are covered with woods from the ocean side to the tops of the highest mountains. Such a heavy stand of timber is not seen in any of the East Indian Islands, except perhaps Borneo. None of the Philippine Islands appear to have nearly as much as Mindanoa. It looks as if young, energetic men would have a fine chance to engage in the lumber trade in this new country, as the forests are practically untouched, and, if the

Government would give the proper inducements to get the business started, I can't see why a large business could not be opened up. There are some drawbacks, as in all new countries. Labor is the greatest. They claim the natives will only work when they feel like it and that is not often, and the best and most reliable labor for this tropical climate (the Chinese) is excluded. It looks as if the Government should allow a limited number of Chinese to be brought in to open up a new country like this, especially when the natives won't work, and, in view of the fact that there are not enough of them any way, to carry on an extensive business. I see in the Government reports that they will have to await the natural increase of population to get labor enough.

In this progressive age Americans are not accustomed to wait that long. We should live for today as well as prepare for the next generation, and with a view of providing for futurity we could not do better than develop the resources of our country by cutting off a certain amount of the timber, building roads, railroads, etc., and prepare for those who will come after us, thereby opening up the country to other industries, especially the cultivation of the soil; and above all to increase the commerce of our nation and make us a truly great nation. From the short time I had and the scant information I got, those are the thoughts that came to me.

Mr. Corwine, of the Industrial Department of the province, was extraordinarily kind in giving us information and also in driving us around in an auto, which, in the limited time, enabled us to see more in a few hours than ordinarily would have taken a day or two. He gave me the governor's last report, which contained instructive and interesting information. I see, in the estimates, it is proposed to improve the wharves at Zamboango. I think it would be a mistake to spend more money there but it all should be spent in Masinlac, that is if the Government ever intends making the change. We never met a kinder lot of strangers in our life than we came across in Zamboango. I must especially mention Mr. and Mrs. Corwine, Mr. W. H. Tidwell and Governor Bliss.

Chapter Thirteen

CONDITIONS IMPROVE IN CHINA

We arrived back in Hong Kong on the 6th of February, 1909, visited Canton, and spent several days in looking over our business interests and in endeavoring to develop and increase them.

Hong Kong has improved greatly in the past few years. When we first visited it we could look from the veranda of the Hong Kong Hotel over the bay, but now it is built up solid for one block in front of it. The buildings are from four to five stories, and all of them are of cut stone which gives the city a solid appearance. The streets are well made and kept clean. The hill rises so steep and close to the water that there will never be street railways except on the two or three blocks fronting the harbor. The Peak Railway, which operates by cable to the top, is perhaps the steepest road in operation.

From a commercial point of view this is the best port in the world. It is a free port in every sense, there being only a small hospital tax charged to each ship—about $30.00 Mex. for a seven thousand ton steamer. Pilotage is not compulsory; in fact pilots are not used or required except to show the captains where they are to berth, and while all vessels have to lay at anchor (there being only berths at the Kowloon wharves for four steamers), the manner and facilities for handling cargo cannot be surpassed.

The steamer "Bessie Dollar" arrived Saturday afternoon, too late to do anything, and as no work is allowed on Sunday she commenced to discharge six thousand tons of coal, Monday. The following Saturday she sailed with two thousand tons of cargo, having been in port just one week and handled over eight thousand tons of cargo. All this accounts for this port having risen to the second place in the world's commerce. No quarantine officers, no customs officers, no

restrictions whatever; just come in and go to work getting out or receiving your cargo. Compare this with Newcastle, Australia, where they thought they had done wonders for us in loading six thousand tons of coal in twelve days, with its quarantine restrictions, customs troubles, compulsory pilotage, and compulsory tugboat assistance, all of which are no more necessary than they are in Hong Kong. In fact, I consider it less difficult to navigate a steamer into Sydney than into Hong Kong. So I came to the conclusion that Australia is a good place to keep away from.

I visited the dockyard of the Taikoo Dockyard Co. (Butterfield & Swire), who will have the most complete repair shops and docks in the Far East. Their large dock is complete, and in use it can take a ship eight hundred feet long. Then they have three marine railways alongside of it that can haul up vessels of three thousand tons gross. Their shops are under construction where they will make everything required for a ship. They also propose to build river and coasting steamers. They have spent over twelve million dollars gold, and everything is most up-to-date and substantial as far as it is done. The dock is blasted out of solid rock, and it will take from four to five months before everything is in working order.

Canton is also growing, especially on the island where the foreigners live. Many substantial buildings have been erected in the past three years, and the "shameen" is kept clean and attractive. In the old city, improvements are noticeable, especially the water pipes and sewers, as a few years ago there were neither. The water was all drawn by buckets from wells that had been in use many thousands of years. All the filth had to be carried out of the city's gates, so that with every precaution (which was not taken) it has been proverbially known as the "City of Bad Smells"—in fact, it does not smell very sweet now.

The railway is making a great change in conditions. The railway across the river on the Fati side is completed and in operation for thirty-five miles, and is doing a great passenger business. This road it is hoped will connect with the French railroads in Cochin, so that, ultimately, rail communication

will be established to Burmah. Its present terminus is at Fatshan, a large and populous city. All along the line the population is dense.

On the Canton side of the river and directly opposite is the terminus of the Canton-Hankow Railroad, called the Kwong Tung Yueh Hau Railroad Co. They have in operation forty-five miles of road and run four trains a day each way, with eight large coaches to each train and crowded with passengers. This part of the road is paying well. They are busy putting in sidings, erecting buildings and extending the track. This road will connect with the Peking-Hankow road at the latter place, which will make it the through line to St. Petersburg, and therefore of great importance to China, as when completed it will extend right through the center of the Empire, which will open up and wake up the country as nothing else could do. Then there is the Canton-Kowloon road that is being built to connect Hong Kong with Canton. Several miles of road from the Kowloon end is about completed. All this railroad work shows that this part of China is on the move.

A few days before our arrival in Canton there had been a disastrous fire in what are called the "Flower Boats," which are used as places of ill repute. There are a great number of them made fast in rows about fifty feet apart, extending out into the water about two hundred feet. The boats are broadside on the shore and each row is made fast, side by side, the whole secured by chains and anchored at the outer side to keep them in position. A lamp exploded in one of them near the shore and the fire speedily spread, first along the shore then out, so that the inmates had the choice of being burned or drowned. It was reported that six hundred girls and two hundred men lost their lives, but the bodies recovered exceeded one thousand. Strange to say, the police prevented any one going to the rescue and the victims died like rats in a trap.

No place in the world has as many boats as Canton. The number of people living in them is estimated now at seven hundred and fifty thousand. In the evening there is a solid mass of them about two hundred feet wide and six

or seven miles long. Every small boat has one family at least living on it, and the large ones have several. Each family averages four children. The boats are their homes, and they make their living by carrying passengers and freight of all kinds. A great many of the boats are stern wheelers, the motive power being men on a tread mill. They run from twelve to forty men propelling each boat, and they seem to make seven or eight miles an hour. The river is so crowded with boats of all kinds and descriptions that it is with great difficulty a stranger can navigate through them, but like people in a crowded city street the natives get on without many mixups.

TSINGTAU

I noticed some improvements since I was here three years ago, and it appears to have recovered from the boom it had four or five years ago. It is still the neatest and best kept city in China, and has unexcelled facilities for handling its big trade—all that is required is to develop it in large volume. An iron mine has been opened up, and they claim to have a quality of ore that will produce good steel. They also have good coking coal near by. If they could get some one to furnish the money to start a furnace it would be the means of bringing more industries and would make a place of it. So far they are depending almost entirely on the products of the soil and not on manufacturing. Coal has been developed very slowly. The first mined was of a fair quality but too dirty, producing too much ash.

The Shantung (German) Railroad is doing a good passenger traffic, but with the exception of coal the freight is light. The present proposed terminus is at Tsinanfu. Seventy miles will be built to connect it with the Pukou, Tientsin Railroad, which is now being built from both ends, so that probably in two years this road will be open from Shanghai to Tientsin, with this connection to Tientsin. The distances as near as I could get them are as follows:

Shanghai to Nanking, 150 miles (approximate); Nanking to Junction, 300 miles; Junction to Tientsin, 300 miles—Shanghai to Tientsin, 750 miles. Junction to Tsinanfu, 70

miles; Tsinanfu, to Tsingtau, 230 miles—from main line to Tsingtau, 300 miles.

I call it by the name "Junction," as the connecting point is not named or definitely located yet. This one railway system will open up a great and populous country. Christianity and the introduction of railways into the interior is what will open up China.

I noticed quite a number more regular steamers than there were three years ago, and they seem to carry a lot of freight and passengers. The steamer "Admiral von Tripof" of the Hamburg-American line had a full cargo of freight—all she could carry—and a full list of passengers. Many left the ship at Tsingtau, but an equal number got on.

While we were at Tsingtau the equinoctial gales started, and it was with great difficulty they got our steamer away from the wharf with the assistance of a tug. When we got to the outside harbor it was blowing with hurricane force, so we anchored for the night, proceeding the next morning. Although it was still blowing, it had moderated some. When we rounded the Shantung promontory the engines raced badly in the head sea.

When we arrived at Chefoo we found eighteen steamers lying there. There were two large steamers, all the rest being of the ordinary coastwise size—one thousand to fifteen hundred tons net. No work had been done for three days, as all the lighters had gone to shelter. It was smooth enough to work, but the lighters were all aground, the severity and long continuance of the storm having so lowered the water in the Gulf that they could not get any of them afloat, so we went on to Taku with one hundred tons of Chefoo cargo on board.

I learned that the navigation on the Yalu to Antung opened March 22. The waters of the China Sea and the Gulf of Pechili were quite yellow from mud having been stirred from the bottom during the big storm.

At Taku the water was low on account of the long continued northerly gale. We crossed the bar and came to Tongku in a launch, which took us two and a quarter

hours. We got the train immediately, and reached Tientsin at noon the 26th of March. At the mouth of the Peiho I saw considerable loose drift ice on the shores.

TIENTSIN

A Chinese lady called at the Dollar Company's yard, desiring to purchase lumber. She was Mrs. Dr. Kin, a graduate of a New York medical college and well and favorably known in China. She invited me to visit her place, which had been founded by the Emperor as an orphanage in 1834. A stone tablet in the yard testifies to this. The orphans, three hundred and fifty in number, were removed to another place a short distance away and the buildings were being turned into a hospital and medical college for women only, to be conducted entirely by Chinese. This is the first to be established in China, and is another instance of the great change that is taking place.

At present Dr. Kin has a class of thirty-five young ladies fitting themselves to be doctors. They had been specially selected, and looked to be a very intelligent class of girls, as they came from some of the best families in China. There were several patients in the hospital, and the dispensary was crowded with women and girls getting medicine for outdoor patients. In showing us what lumber was required, she showed us one room with a very good concrete floor, for which she wanted a pine floor, remarking: "This is one of the effects of civilization, it has been good enough for one hundred and seventy-five years but it is not good enough now."

My visit impressed me by the fact that the Chinese are reaching out to help themselves. Dr. Kin receives $750.00 gold from the Government every month. She said it comes from the funds of the Government salt monopoly. When leaving, she said this was a woman's enterprise and I was the only man that had had the privilege of being shown through the building.

PEKING

I got here late Saturday night and went to the Presbyterian Mission compound Sunday. Being a stranger to them all I felt somewhat out of place. However, they made me feel very much at home, and at 11 o'clock we went to the new Chinese Church on the grounds. The service was altogether in Chinese, but I was interested in all I saw. The church was comfortably filled. There were about three hundred men and boys and one hundred women, all sitting on the left side of the church. The hymns were all sung to our old familiar tunes. The congregational singing was excellent, much better than in an ordinary American church. They elected an elder, and baptized and received into the church four men, three boys and three women, and baptized one infant. Then they had Communion Service. The women all walked out first and then the men, like the dismissal of a school. After service the missionary in charge invited me to lunch, where I met several missionaries.

This mission suffered terribly from the Boxers. The buildings and contents were totally destroyed, not a brick remaining on another, and the converts were nearly all killed, so they are just getting back to where they were. Their buildings are a good deal better than the old ones. I was sorry to see a men's building standing vacant for the want of a doctor. One is here learning the language, and will open it next year. It is a great expense to teach men the language, as it takes two years at least before one can learn sufficient to do much.

I visited the Theological Seminary, which has fine buildings now, and is just getting started. I then went to the Union Church for Europeans, where they also had a full house. After the meeting I met several men of world-wide reputation: Dr. Smith, who has written several books on China; Dr. Martin, who has been over fifty years in China; Dr. Sheffield, who served through our Civil War and then came here, and many others.

On Monday I called on Ambassador Rockhill, and had a very interesting talk with him on matters Chinese. One

matter of interest in this city that differs from all others is the different methods of locomotion. Here we see camels by the hundred carrying all kinds of merchandise and people; then the horse and pony, either carrying burdens on their backs, or drawing the peculiar carts with wheels strong enough to carry several tons.

The carts are short bodied and covered over with blue cloth, and are high enough for one to sit upright on a mat. There are no springs of any kind. In hauling loads they are sometimes drawn tandem by three or four horses, asses or mules, then others have three or four abreast.

Asses are much used for riding. It seems odd to see a great big man on a donkey the size of an overgrown Newfoundland dog. Then there are horses and coupes, victorias, and the toniest rigs of modern Europe. I also saw a few automobiles in use. Rickshaws are plentiful everywhere; sedan chairs and wheelbarrows are for the common people. Sometimes one man wheels along six people, and sometimes trundles along with a big load. Wheelbarrows are the vehicles of commerce in the country where there are only paths. The ever present "John," with the bamboo pole and two baskets or other merchandise, is always to be seen.

Peking is unlike other Chinese cities, in that it has very wide streets—several ninety feet and generally straight. The ordinary city has narrow, crooked streets, many very large cities not having streets wide enough for even rickshaws.

On the way to Hankow, on leaving Peking, the fields were just commencing to get green. As we approached Hankow, the grass and grain were a foot high. As the railroad runs nearly south, the climate changes considerably. The country looks beautiful, a perfect garden all the way, with level and rich agricultural land in the highest state of cultivation, nearly all worked by hand. I saw a man and a donkey hitched together pulling a harrow, and it is a very common sight to see one or two men drawing water in buckets from the wells for irrigating purposes. One fast train a week makes the eight hundred miles from Peking to Hankow in thirty hours, running sleepers and dining cars

Belgian style, not nearly up to our ideas; ordinary trains run every day.

HANKOW

This city has grown more in the three years since I visited it last, than any city I have visited. At that time the Japanese had just gotten their concession, but now it is well built up; a stone wall the whole length protects it from the river's encroachment. Several streets have been built up with houses. The Consulate and Yokohama Specie Bank are quite imposing buildings. The German and French concessions are built up nearly solid, as are also the British and Russian concessions. There is practically no vacant ground. The native city has outgrown itself inside the walls, and there are as many people living outside of it, as the buildings extend up the Han River about three miles and well back.

I met a party of the principal Chinese merchants at the Chinese Chamber of Commerce, which is outside of the walled city. The President, Vice-President and several bankers were present. They seemed pleased with the opportunity of discussing matters of general interest to both countries. They are co-operating with the Shanghai Chamber in getting a party of merchants from the Pacific Coast to visit them.

The Chamber of Commerce building is peculiar; in fact, it is three very large buildings, and is used entirely in the interests of trade and commerce. It has a frontage of over two hundred feet by about forty feet. There is a space of about thirty feet made into a flower garden; then another building two hundred feet by forty feet; then another space, and a rear building, the same size as the other two, all connected in the center by a wide covered walk crossing each building. The buildings are divided into a great many rooms, large and small, for committee and general meetings of the different Guilds. All the buildings are of two stories.

The native city fronts on the Yangtsze and the River Han, mostly the latter, while the foreign settlements are all fronting on the Yangtsze, from the native city down in

GRAIN EN ROUTE TO MARKET ON WHEELBARROWS—THE WIND BEING UTILIZED FOR POWER

the following order: British, which is built solid up to the old city wall; Russian, French, German and Japanese, farthest down the river. Hanyang is across the Han River, opposite the old city of Hankow.

The River Han is fully a quarter of a mile wide, but used so much by junks and boats that blockades occur. Coming down it the other day we got into a jam and it took our steam launch an hour before it could force a way through. The whole river as far as I could see—one and one-half miles—was a solid mass of junks, sampans and boats of every description; also large lighters and steam launches carrying freight of all kinds for export and import. The large junks carry Chinese freight to all the coast ports of the Empire both north and south of Shanghai. As it is over six hundred miles to the ocean, with at times a six-mile current to stem, you can understand how slow and tedious the trip must be.

Then, many of the craft trade up the river, a distance of over eight hundred miles from Hankow. They have to be towed through the rapids, which takes several hundred men to pull some of them up. When passing along the streets I saw many hundreds of men carrying a large shipment of sessimum seed. The sacks weigh about one hundred and fifty pounds each. On one lot was stenciled a firm's name in Rotterdam. The police keep the loaded men going down on one side, and the others return on the opposite side, while vehicles keep in the middle of the road. The men were as close together as they could walk, the distance being about four blocks. You can imagine the number employed. Each man shoulders his bag at the warehouse and receives a bamboo check on passing on board the steamer. Returning, he delivers his bamboo check, for which he receives one cash, the value of which, at this time, was one thirteen hundredth part of a dollar. I saw another string going to another steamer marked Trieste; so the seed is going well over Europe. This is a commodity of recent production in China, but it has grown to large proportions in a very few years.

The river at this point rises fifty feet every year. The water is now four feet above low water, therefore forty-six

feet from high water. A vessel drawing eighteen feet could come up the river, but with no greater draft; yet the river steamer "Tuck Wo," I came down on, was drawing twelve and one-half feet and had a full cargo of two thousand tons. There are thirty-three regular passenger steamers now running between Shanghai and Hankow owned by Chinese, British, Germans, French and Japanese. The river steamer business was started under the American flag and for many years no other flag was seen on the river, but as on the ocean our great country is completely out of it.

TAH YEH

This word means great smelter, and is the great iron ore mine of China. It is sixty miles down the River Yangtsze from Hankow, to the landing called Hwangshikiang. From this place a railroad fourteen miles long connects it with the mine. The road is owned by the Han Yang Iron Works, and is used for hauling the ore and passengers. The road is level, has few curves and a very fair roadbed. There are two places, two miles apart, from which they are taking out ore. One is only being opened, while the other has been a mine for so many centuries that there is no record of when it was first worked, but the name has come down through the ages. I saw them making a roadway, cutting their way through a hill of slag. From the size of some of the pieces it looked as if the furnaces had been about the size of an ordinary barrel. No doubt iron was made here two thousand years before the Christian era, as the grand canal was dug 1000 B. C. and the tools with which the work was done were very likely made at this place. So much for ancient history.

Now, we find at both mines a solid mountain of ore rising from the valley about six hundred feet. The mountains are of reddish brown color; solid ore running from 60% to 67% of pure iron. They work it from a perpendicular face. At one place they were blasting on a cliff two hundred feet high. When the blasts went off the dislodged ore went down to the railroad track, where it was loaded into the cars. They are using a few compressed air

drills. But as ordinary labor costs them five cents gold a day, labor saving devices are not necessary. The mining is all done by contract, the rate paid being 270 cash a ton of 2240 pounds, being at the present rate of exchange, 10 cents U. S. gold f. o. b. cars. They have made no investigation as to the depth of the ore under the surface, as there is plenty in sight on the surface to last a hundred years.

A more ideal mine could not well be imagined, and it looks as if it is the best in the world, just twelve miles from where for eight months a year vessels drawing twenty-six feet of water can load for any port in the world. The quality of the ore, the low cost of mining, and the facilities for shipping, all combine to make it one of the best iron ore propositions in the world. The Japanese Government has been buying ore here for some time for their steel works at Wakamatsu, near Moji. Last year they shipped 135,000 tons, and had a large quantity on the bank of the river ready for shipment. The rest of the output goes to Hanyang. At the mine the valley is quite narrow, a few hundred yards wide, and opposite the iron mine is a ridge of limestone so pure that some of it is marble. The rock ore is pure white and in great contrast to the dark colored iron, so side by side are the two great ingredients for the manufacture of iron. Then, half way to the landing, is a ridge of dolomite, which they use in the manufacture of steel.

Loading on steamers or barges is done by coolies with baskets, as in Japanese coaling ports. They can load from one thousand to fifteen hundred tons a day. At the present price of labor it is the cheapest and most expeditious way of handling it, especially on account of the fifty-foot rise and fall of the river. It would be difficult to make permanent bunkers to suit all stages of the river, but coolies with baskets meet all conditions. Iron and coal are the valuable assets of China that will be heard from in the near future.

Everything for the manufacture of iron is in this vicinity, even coal, though that is undeveloped. The Pinshang coal mines are so good, they claim to have coal in sight to last fifty or sixty years without further prospecting. This coal

costs about $1.50 gold a ton delivered at Hanyang. There is a sixty-mile railroad from the mine to the water, and from there the coal is taken aboard barges and junks for transport down the Yangtsze.

SHANGHAI

We returned to Shanghai, remaining there ten days. While there I gave a banquet to the members of the Chinese Chamber of Commerce, and at that meeting they decided to send an invitation to the Chambers of Commerce of the Pacific Coast, to pay them a visit at some later time. As nothing of this kind had ever been attempted it took the Chinese a long while to fully grasp the significance of it. However, I succeeded in convincing them of the benefit it would be to the two nations.

The following extract from the Shanghai "Times" describes quite fully the dinner which I gave on the 26th of April, 1909, to Chinese friends:

An Interesting Dinner

On Friday evening last, Mr. Robert Dollar gave an interesting dinner at the Palace Hotel, to representatives of the Chinese Chamber of Commerce. The President, Mr. Chow, and the Vice-President, Mr. Lee, together with the President and Vice-President of the preceding year, and several other leading Chinese commercial men were present. Mr. Charles Denby, U. S. Consul-General, who had expected to be present, was unavoidably detained. At the close of the dinner, Mr. Dollar proposed the health of the President of the Chamber of Commerce and his associates in the following speech, which was translated into Chinese by Dr. J. C. Ferguson:

"I am pleased to have so many of you to honor me with your presence tonight. His Excellency Sheng Kung-pao could not come on account of coughing so much, and Mr. Denby was giving a dinner at his house tonight. As I am about to return to America, it would not be out of place to talk of matters in which both countries are interested.

HAN YANG IRON AND STEEL WORKS
The Only Blast Furnace Plant on the Continent of Asia

"The manner of admitting merchants and those entitled to land in the United States has been changed, so there is no delay or trouble now. The law is the same as it always has been, but the administration of it is changed, for which we have to thank our ex-President, Mr. Roosevelt, so none of you need be afraid to visit us. Along with Mr. Denby, I have tried to get a party of our merchants to visit you during May, but the notice was too short and arrangements could not be carried out in time. I would request you to allow the invitation to stand, and I will do my best to get a representative body of our merchants to visit you either in September or October, or during April and May next. I want them to visit you when the weather is most favorable. Japan derived much benefit from our visit to them last October, and now a large number of Japanese merchants are preparing to leave Japan on a return visit to America. I am extremely anxious that China should benefit as much as Japan has done.

"The great aim of the Chambers of Commerce in both countries is to promote and increase commercial relations, and in no better way can this be accomplished than by meeting each other and getting better acquainted. In a few years the center of the world's commerce will be transferred from the Atlantic to the Pacific. This will be hastened by the completion of the Panama Canal, which we hope will be opened for traffic in four years. So the two great nations that are on each side of that ocean should now be preparing to take their share of the trade which naturally belongs to them, and to accomplish this, one of the first steps for China to take should be to put her finances on a solid basis. Without this you cannot hope for great success in the world's commerce. I know it is a difficult problem, but all the other nations have had to grapple with it, and China can and will succeed when she goes resolutely about it.

"In conclusion, I ask for our two countries closer and more friendly relations, thereby increasing our commerce, and to accomplish this I can assure you I will do my utmost."

Taotai Chow, through his interpreter, Mr. Chu, made the following response:

"Mr. Dollar, and Gentlemen: On behalf of the President, Vice-President and other members of the Chinese Chamber of Commerce, I have to thank you most sincerely for the great honor you have conferred upon us to be your guests this evening, which we take not so much as a compliment to ourselves but to the Chinese commercial community which we have the honor of representing. Mr. Dollar, you have been amongst us only a short time, but you have already become known to many of us, and we have been most favorably impressed by your courtesy, public spirit and evident desire, both of doing well to your own country and to advance the interests of the country to which your steamships are running, and we have good cause to believe that your sojourn amongst us has strengthened the great feelings of friendship between the merchants of the two nations. China's connections with America are not of recent growth, as for many years there has been an interchange of products. China is not yet a great manufacturing country, but we export to America large quantities of our raw materials which you need for manufacture, either directly or indirectly. You, in turn, send us the finest articles you manufacture.

"As China develops, tastes and needs are more and more in consonance with those of the western nations, and we naturally hope that the great country in the western hemisphere will supply us with still more and more of those products. So there is no country with which greater trade could be developed than with America. More especially the passage between the two nations will be rendered much more expeditious by the cutting through of the Panama Canal, which undertaking has already been begun, and we welcome the undertaking and its success as a sign of the possibilities of the future.

"In conclusion, again, Mr. Dollar, we express our sense of appreciation for your kindness to us this evening; in the meantime, we take the opportunity of wishing you a happy

voyage home and the rapid increase of the commercial intercourse between the great commonwealth you represent and the great country of which we are proud to be citizens."

Taotai Shen Tun-ho followed with an able speech in which he said that it would be the aim of the Chinese Chamber of Commerce to send a delegation to America to visit the chief commercial centers and thus strengthen trade.

We left Shanghai on our way home, stopping off in Japan, where I paid a visit to the Island of Hokkaido. I was looking out for return cargoes for our steamers, and found that the only way this could be done with any certainty of success would be for us to go into the forest and buy the oak timber and lumber and have it shipped by rail to Muroran, establishing there a depot so that whenever one of our ships was short of a cargo she could call in there and fill up. This arrangement has worked out very satisfactorily, and a good business was established on the American side for the manufacture of furniture, interior finish of houses, shipbuilding, and for many other purposes which made it of great value to this country.

KOBE

We left Kobe at 6 o'clock p. m. for Tokio, getting a compartment with a Japanese, his wife and baby. The sleeping compartments are very small and cramped. Arrived at Tokio at 9 o'clock a. m. where we endeavored to get a sleeping car to Amori, but everything was taken. I had a letter of introduction to the station master, who had an official to receive me, he having had telegraphic advice to look after me. I said that as we had to go, we would take a first-class compartment and sleep as best we could, but on investigation found the cars would be crowded and that there would be no opportunity to lie down. The station master recommended our leaving earlier by way of the northwest coast, and although there was no sleeper nor dining car, he could reserve a seat for us. I accepted his suggestion, as we would arrive in Amori in time to get to Hakodate on the same boat as by the other line. When we boarded the train

we found he had sent two pairs of new blankets and otherwise provided for our comfort, and Mitsui & Co. had sent us a basket of eatables, so we got along very well.

The ferry arrived at Hakodate at 3 o'clock a. m., and Mr. King came on board and took us to his home. At 10:30 o'clock we took the train for Otaru, arriving there at 11 o'clock p. m., a long, tiresome ride. The cars were crowded all the way, and about every man and woman was smoking. We smelled like red herring and felt about the same, when we laid down on the floor at midnight in a Japanese hotel. Friday it was raining very hard and blowing a gale and very cold. I spent all forenoon tramping round in the mud and rain attending to business.

Otaru has trebled its size since we were here last. The breakwater is completed on one side and they are commencing on the other side. When it is completed they will have a good harbor, and it will be a port of considerable importance.

We left Otaru in the afternoon by train for Sappopa. We stayed in a Japanese hotel, and as they had forwarded a table and two chairs, we were able to eat our supper in American style, but for want of a bed had to get down on the floor to sleep. Arose at 4:30 o'clock a. m. to get the train leaving at 5 o'clock for Mororan. Had breakfast and lunch out of our basket. We had no opportunity of seeing what progress or improvements had been made, but I noticed the very fine railroad depot which replaced the old one that had burned down. Snow was still visible in many places, and it was just early spring time. The fruit trees were in bloom, and farmers were beginning to cultivate their fields.

In Hokkaido there is a great deal of the very best farming land to be had anywhere, and it produces great crops and is already exporting grain and fruit to Nippon and elsewhere. We left the train at Tumakomi station, where the Government is erecting a large paper mill to manufacture paper from wood pulp. We went by a tramway lumber car hauled by a horse, eighteen miles to Mukawa, situated at the mouth of the Mu River, which is quite a large stream. Large quantities of timber and ties had been floated here

two and three years ago, to be loaded on steamers in this open roadstead, but this was found impracticable, hence the building of a light railroad to haul them to the main line, thence to Mororan.

To illustrate the strange methods used when the Government owns the railroads—this branch is a private road built by Mitsui. In a shed they have three nice new Porter locomotives, but the Government refuses to give them permission to use them, yet raises no objection to their using horses. So they have from forty to fifty horses hauling the cars, with one man to each horse. Another subject came to my notice. The Government owns the telephones and puts them in when they get good and ready, telling the public to put in their applications and each one will be treated with, when they come to it in regular rotation. As they were about a year behind, you can imagine the inconvenience to a large firm changing locations. This has developed a new calling. Men, who call themselves telephone brokers, flood the Government with applications for telephones for fictitious persons. These brokers make it their business to find out who wants phones, and then sell them the turn of one of their fictitious applicants for sums varying from one hundred to three hundred dollars, according to the urgency of the case. Now, the Government advertises that any one wanting to get a phone must accompany the application with $185.00 in advance, and if the applicant already has a phone in use the modest sum of $150.00 will be charged for each additional phone. So, when government ownership of public utilities is proposed, you need not hesitate to say very emphatically, "No!"

I finished my business at Muroran, and, as it only rained in showers, had an opportunity of seeing what improvements had taken place since I was here three years ago. The large steel works built by the steel company and the three blast furnaces erected by the Tanko company, all of which are about ready to go into operation, have caused a village to spring up larger than the old one. The old town has increased to more than double its former size. The harbor is being dredged and great improvements are visible in all directions. If this iron and steel plant succeeds this will

be both a large city and an important seaport. They expect to get the iron out of the sand from the ocean beach, which many claim will not be a success. Then, as Japan has no iron ore in large enough quantities, it will have to be brought from Tah Yeh, on the Yangtsze, in China. As the Chinese are waking up, they may extend their boycott or export duty to prohibit its export. It will be interesting to watch the progress of this great plant, said to have cost twenty million dollars (gold). [At this writing, 1917, my prediction came to pass and so far the enterprise has been a complete failure.]

From Hokkaido we returned to Tokio, where I was the guest of the Chamber of Commerce.

We sailed for San Francisco on the 15th of May, 1909, and were glad to be home once more after a trip of nine strenuous months.

The Japanese were not long in making us a return visit, as they arrived in Seattle September 1, 1909. Their visit to this country was taken in hand by the Seattle Chamber of Commerce, headed by Mr. Lowman, who was then the President of the Associated Chambers of Commerce. The visitors were taken to the principal cities of the United States, and the whole trip was carried out very much to the credit of the Seattle Chamber of Commerce, whose men gave their time, energy and money to make it a success. Their party was headed by Baron Shibusawa.

For the past two years I had been a Director and Vice-President of the Chamber of Commerce, and President of the Merchants Exchange, in San Francisco.

In San Francisco we received and entertained them as well as we could, but what we did for them appeared to be insignificant in comparison to what they had done for us. It would be practically impossible, in this country, to give them such entertainment as they gave us.

On November 30th a reception was held on the steamer, when they were about to sail for Japan. Baron Shibusawa delivered an address of which the following is a synopsis:

"In the course of this memorable trip we have visited fifty odd cities, great and small, everywhere inspecting in-

dustrial plants and financial establishments, educational institutions and charity organizations. We have met and talked with thousands of people, including the President, and many other men prominent in every walk of life.

"We have thus had an unique opportunity of getting an insight into not only America's industrial, commercial and educational progress, but also of the great personal factors shaping the destiny of this republic. We know America better than when we came, and I trust many an American knows the Japanese better because of this visit."

Chapter Fourteen

INTERESTING DESCRIPTIONS OF INTERIOR CHINA

On the 8th of February, 1910, we sailed for China on a visit in the interests of the Western Steel Corporation, which corporation proposed building a plant at Irondale, Puget Sound. Mr. H. E. Law accompanied us on this trip.

On arrival in Shanghai we had a number of conferences with the government officials headed by Sheng Kung Poa, the final result of which was that we were able to make a very favorable contract with them for ore and pig iron. The Western Steel Corporation, however, a year later got into financial difficulties and was unable to carry out its part of the contract, which was quite a loss to this country, as the Japanese took our place.

The Emperor and Empress Dowager had presented a tablet to the International Institute, and on behalf of the foreigners I was requested to assist in the unveiling. On the platform I was the only foreigner with twelve mandarins. It was quite an unique meeting and ceremony, and was a great honor to me. The hall was crowded with Chinese merchants and officials.

We left Shanghai, March 25, on the steamer "Bessie Dollar," going up the Yangtsze River to Hankow, for which she had a part cargo. The water was low and the pilot would not undertake to take her up until I agreed to go myself and take all responsibility, when he agreed to make the attempt. We got along without any mishap although there was no water to spare.

We crossed the outer Woosung bar at high tide with twenty-four feet of water. The water was very muddy. We passed the crossing twenty-five miles from Woosung where the river is about ten miles wide, but shoals extend all the

A CHINESE JUNK

way across except for one thousand feet where we found twenty-four feet of water. From here to Tungchow the river is very wide, land often out of sight on one side. Tungchow, which is sixty miles from Woosung, is a good sized city with large flour and cotton mills. It will be made a treaty port soon and be opened to commerce. The country about is thickly populated and the land is very rich. Four miles below Chinkiang we passed the Grand Canal, going south, and five miles above Chinkiang we passed the canal going north, so boats navigating the canal have to navigate the river for seven miles.

We arrived at Wuhu, having made ten and one-half miles an hour from Shanghai. The customs boat came out and gave us information about the water. Reported about fourteen feet at shallowest places, and as we had a customs river pass from Woosung to Hankow, nothing more was required and we proceeded. I noticed that a large piece of land adjoining the city had been laid out in roads, and some large warehouses had been built by Butterfield & Swire, and the Standard Oil Company. The river front had been substantially bunded, and it looked as if they expected considerable of a foreign colony here.

In delivering and receiving freight at all these river harbors, each company which has steamers on the river has a large hulk. At this low stage of the river these hulks are anchored about three hundred feet from shore and all cargo is transferred in scows between them and the shore. This plan is necessary on account of the extremes of high and low water. At Hankow the variation from extreme high to extreme low water is fifty feet; at Wuhu about thirty-five to forty.

At this place the river is about two miles wide. It is quite picturesque, the hills in the distance, on the left several pagodas on prominent points, and many small rocky islands generally crowned with a temple or a pagoda. The green fields with patches of yellow make it a beautiful sight, and if we consider the commercial advantages of such a rich country, it is certainly interesting, and always opens up a

line of thought to me of what the changes will be when this empire adopts, even on a small scale, our ways of doing things.

We loaded a full cargo on the steamer, as the water was rising as fast as the steamer went down in the water. The vessel was drawing fourteen feet going up, and twenty-four feet going down the river. This difference was in the space of ten days.

I have taken notice of the number of people who go barefooted. I estimate it to be at least ten per cent of them, and as there are four hundred and fifty millions of people, ten per cent means forty-five millions. To give one pair of shoes and socks to each would mean forty-five millions pairs so that if the purchasing power of the individuals was increased, the trade that would be created would run into such large sums that it is impossible to anticipate what the result might be.

Methods of business in the Orient are very strange. For instance, we engaged a stevedore in Shanghai to discharge this cargo of lumber, two-thirds in Shanghai and one-third in Hankow, and to load the return cargo of pig iron. Instead of engaging the men there, he took forty men on this steamer to Hankow. They boarded themselves on the way up, and got pay only for the work at Hankow. So going up the river, we had over one hundred men on board. The stevedore did the work by the ton, and how he could do it for the small amount we paid is one of the mysteries of his business.

Most of the transportation on this river is carried on by six companies, which run about two steamers each way every day. The Japanese consolidated four companies and operate them as one, getting a subsidy from their government of nearly enough to pay expenses. The French get a subsidy from their government of an amount sufficient to pay all their expenses and five per cent even if they neither carry freight nor passengers. The two English companies get no government assistance, and I do not think the Germans get any. The Chinese run one line and do a good trade. It shows what foreign nations think of the importance of

the Yangtsze River and valley trade when they subsidize steamers to carry freight and passengers from one Chinese port to another. It is rather sad to think that when this trade started the Americans had all the steamers on the river and the Stars and Stripes was the only flag to be seen.

We passed eight large junks all together, loaded with poles. Their deck loads extended twenty-five feet on each side and each had a list until the poles rested in the water on one side and were clear of the water three feet on the other. I had never before seen such deck loads.

We passed the Orphan, a lone rock in the middle of the river about two hundred and fifty feet high, a perfect cone rising out of the water. On one side is a monastery where from two to three hundred monks live all the time. It looks almost inaccessible, and the buildings seem to be just stuck on the side of these almost perpendicular cliffs. On a wall that goes along the crest of the high, steep hills that surround it two temples were cut out of the solid rock.

This part of the river is most picturesque. On the left side is a range of high broken hills all jumbled up in great confusion, showing unmistakable indications of minerals. It looks as though an examination by an expert would be money well expended. Little or nothing has been done in the way of prospecting although we hear accounts of coal and iron being discovered on the opposite side of the river.

This great valley is a level delta as far as the eye can carry, and like the valley of the Nile, it floods every year and the river leaves a rich deposit of silt that fertilizes the soil and makes it an immensely rich valley, from an agricultural viewpoint. I think when the mineral riches are uncovered, it will surprise the world. Some experts have said they believed there was more coal in the Yangtsze valley than in the rest of the world.

We arrived at Kiukiyang and anchored for the night. No steamer should come up without two pilots, one to relieve the other and to avoid laying up at night.

The next day we anchored for a few hours to give us an opportunity of visiting the celebrated Ta Yeh mine, which

has been described. We then proceeded to Hankow, arriving without mishap, but on three occasions the vessel was within a few inches of the bottom.

From here we went to Peking, a very pleasant eight hundred-mile ride on the railroad. We later visited our establishment at Tientsin, whence we returned to Shanghai.

HANGCHOW

We next visited Hangchow, where they were starting to build a college, and I arranged to give them some material help in the work.

There being no railway connections at this time the trip had to be made by house-boat. The railway has been built from the Shanghai end about sixty miles, and from the Hangchow end thirty-five miles, leaving yet to be constructed less than forty miles on which they are working at both ends, hoping to have it completed and running by next August. The house-boat was about fifty feet long, fifteen feet wide and four feet deep, drawing when loaded two feet. The lower deck is laid on the frames ten or twelve inches from the outside planking, the upper deck being about six feet in the clear, so to go below into the best quarters there is a door three feet wide and four feet high. There is what is called an officials' room about twelve by twelve, which we had, fare $12.00 Mex. The rest of the under part is fitted into small rooms for two, four or six people, in which there is barely room to turn round. These rooms are fitted with bunks in the old Klondike style of steam schooners, when the rush was on. On the upper deck, sufficient space for a person to lie down, costs 80 cents Mex. This is covered with an awning and the passengers lie thwartships, two tiers. The deck being twelve feet wide, they are packed like sardines in a box and there is no room to move around.

The first-class passengers under deck get Chinese food and all carry their own bedding. We also carried our own food and got on very well.

These house-boats are towed by tugs drawing about three feet of water. When we started we had three house-boats in tow, but two were left at cities which we passed. We

THE ORPHAN—An Island In The Yangtsze On Which Is A Monastery

passed a Japanese liner of the Osaka Shosen Kaisha, so you see the Japanese are in all sorts of navigation no matter how small. There are four different lines of this sort on the river.

GRAND CANAL

We went up the river from Shanghai about seventy miles and entered the Grand Canal at Kashing. All this country is densely populated. We passed many walled cities, in some places the houses being built solid on each side of the canal, giving the appearance of going along a street. The canal varies in width from fifty to one hundred feet and in some places there are small lakes several hundred feet wide. Except the regular line of boats all are pulled by men on tow paths. A tow line is fastened to the end of a long bamboo pole so as to facilitate passing each other. I saw some rafts of poles going along, twenty feet wide and three hundred feet long. The poles ran from two to ten inches in diameter, all about twenty feet long and all peeled. So that people can travel the canal banks, there are a great many bridges across the small creeks that come into it. Many of the creeks are spanned with a single piece of stone thirty by eight feet and about a foot thick. Others that are wider have very fine arches. Those across the canal itself are especially fine and symmetrical, showing the builders to have been up-to-date, especially since the canal and bridges have been in constant use since before the Christian era.

I might say here that this canal is one of the wonders of the world. It runs from Peking to Hangchow, a distance of seventeen hundred miles, so that a boat can go the entire distance, and its commerce at places is enormous. Many times I have seen rows of boats like wagons on a crowded street, carrying every conceivable thing. Our house-boat, in places, had to crowd its way through, bumping some and crowding others out of the way like one elbowing his way through a crowded street. One sees all kinds of boats, from the nicely painted war junk with brass cannons, to the small sized sampans and canoe for one man. But the one thought above all others, which comes to us traveling through this

country is, that wherever we go we see the enormous mass of humanity, which has never been numbered as yet, as the census taker is unknown in China.

Along the canal are great groves of mulberry trees and a great number of boats were dredging sediment from the bottom to fertilize these trees. Long poles of bamboo with a grab on the end like a clam shell dredger, on a small scale, were used in dredging. The boats had two water-tight bulkheads, and in the center, between these, the mud and water were loaded, the ends being for buoyancy. The mud was taken to the bank and carried in buckets to the trees. I noticed by this being done constantly, it raised the orchards as much as four feet, in some places, higher than the surrounding land.

We did not arrive in Hangchow until evening, having been twenty-four hours from Shanghai. The mission where we stayed was inside the city wall, and was a very good, European style of house. There was a lawn in front, one hundred and twenty feet square, surrounded by very high walls. The streets around are from six to eight feet wide, fairly well paved, but there are no wheeled vehicles in use. Everything is carried by men. Canals run all through the city about every three or four blocks, providing easy and cheap transportation. The streets are narrow and many of them crooked, and the population is very dense. There is also present the usual strong smell. There being no sewers and no water works, the filth has to be carried to boats and taken out to the country, where it is sold for fertilizer. Water is taken from innumerable wells and carried in pails to the houses. The outside city wall is said to be fourteen miles long, the space enclosed being four miles by three. This wall is about thirty feet high and is in a good state of preservation. The city is divided by outer walls, one section being the Tartar City. All have gates that are shut at night. The size of the city, outside and inside of the wall, is about twelve miles from north to south and, probably, four miles at its greatest width, tapering down to nothing at each end. They claim eight hundred thousand people.

Whether there are that many I cannot say, but I do know there are a lot of them.

The gates are massive, a lot of brick and stone being used. Coming from the outside we go through the first gate into a space, say four hundred feet square, surrounded by walls as high as the outside one, then there is a second gate. The extreme north of the city is at the termination of the Grand Canal and the extreme south is on the Tsien Tang River, sometimes called the Hangchow River, which is about one and a quarter miles wide at this point. We visited the site for the Hangchow College, about three miles up the river from the city, and found the situation all that could be desired. It is about one hundred feet to four hundred feet above the river, on a fairly level plateau for the buildings, and altogether a desirable and healthy place for a college.

There is a very large pagoda near by, which has just been remodeled. It was built about one thousand years ago and is strong and substantial yet. We had lunch with the priests in charge.

A peculiarity of this pagoda that I have not seen in others, is the several hundred bells hung from projections from the walls. Whenever there is a breeze blowing the bells ring, and as they are differently toned, the sounds produced are very musical.

Both the pagoda and college grounds command a fine view of the river, which swarms with junks and boats of all descriptions, at all times. This place is only thirty miles from the ocean. It is on this river that the "bore" occurs at spring tides.

I found the elevation of the Grand Canal to be some forty feet higher than the canals running through the city, and, instead of a lock, several clay slides or causeways, on which clay is thrown to make it slippery, have been made from one system of canals to the other. Small boats with their loads are hauled up this incline with large windlasses; hence the reason we could not go direct to the city.

LING YING TEMPLE

We visited the celebrated Ling Ying Temple, which is six miles from the city wall, there being a very good paved path the whole way. All of the country roads are about the same, and a description of this one will do for all others. The road bed is about eight feet wide, and well macadamized. In the center are flat stones four inches thick, from three to eight feet long, and about two feet wide, two rows being placed side by side, making the path four feet wide. As they have been in use thousands of years, in many places they are hollow, but as the Chinese nearly all go barefooted, or with straw sandals, the wear is not great, as there are no wheeled vehicles, everything being carried on men's shoulders.

The road to the temple was crowded with pilgrims going to this celebrated shrine. Many professional beggars had built huts on the side of the road, and called loudly for alms from the passing pilgrims. Restaurants were doing a rushing business. The temple grounds occupy several hundred acres; the land, unlike the level country, is rocky and broken. On the rocks are several hundred Buddhas. They are formed by cutting a recess in the rock, there the image is placed, protected from the weather. None are smaller than life size, and many are three or four times as large. Many legends and wonderful stories are told about this temple. One being that Buddha caused this mountain to be transported bodily from India to this place. The rest are all in keeping with this.

The Temple of Ling Ying was first built in 326 A. D. It is situated in a beautiful park of trees in a valley, the hills on each side being quite rocky. There are caves and shrines of all descriptions. In 1280 Marco Polo visited this place. History tells us that, in 1729, the temple was extensively enlarged and put in good order, and the grounds and gardens also much improved. The main building is called Central Hall, and its size is two hundred and fifty feet in length by eighty feet wide. The building at the side of it is called the Temple of Five Hundred Gods, as it contains five hundred idols. They are considerably over life

AMERICAN SPARS USED IN THE RECONSTRUCTION OF LING YING TEMPLE

size. The building immediately back of the Central Hall is one hundred and twenty-five feet by fifty feet in area, and is now the principal temple which the worshippers frequent, as the Central Hall was burned in 1861 by the Taiping rebels. In fact, nearly all the buildings were sacked and burned at this time, but I was told by one of the priests that, when they came to this one, they were frightened at the great number of gods and fled before applying the torch. The building and images are still in good condition.

His Excellency, Sheng Kung Poa, learning that Americans were about to build a large college nearby for the education of Chinese boys, was prompted to rebuild the Central Hall in all its former greatness and splendor—in its day it was the most magnificent of all Chinese temples. For this purpose he ordered twenty-eight of the largest round timbers that could be bought in America. They ran, in size, as long as one hundred and five feet and forty-eight inches, in diameter, at the butt. They were perfectly straight and as fine pieces of timber as ever left America. The largest one weighed over twenty tons. I donated the timbers, and sent them over on the deck of the steamer "M. S. Dollar" to Shanghai, where they were put into rafts and taken up to the end of the Grand Canal, a distance of two hundred miles to Hangchow. From there to the site of the temple they were carried a distance of five miles, over the narrow paved path, by two hundred and fifty men, one hundred and twenty-five on each side. A bamboo pole for each two men was tied to the timber by a small rope, the poles angling slightly, to permit the man on one side, to carry on his right shoulder, and his associate at the other end, on his left shoulder; all lifting steadily and together until the word of command for all to straighten up, when overseers rushed back and forth along the line to see no one shirked his duty. The emblem of the overseer's office is a bamboo rod six feet long, sharpened at one end, with which he prods some in the ribs or whacks others over the shoulders. They reminded me of the ox-teamster, familiarly called the bull puncher, in the old days, in the lumber woods.

When the enormous weight of the log is lifted clear of the ground, all the men keep step with military precision, moving on without any apparent difficulty. This primitive method of lifting these logs to a perpendicular position without the aid of steam, was used by their forefathers thousands of years ago. It shows how great weights can be transported and lifted without machinery, and accounts for the way the great stones in the walls of various cities in China, and the Pyramids of Egypt, were lifted and put together.

At another temple a priest told me through an interpreter, that all the timber required to build the original temple, which was built nine hundred years ago, had come from Foo Chow, three hundred miles distant, by an underground passage, the end of which was in a well which he pointed out. This caused me to smile, and the old man ran away and I thought I had grievously offended him, but he returned with three candles and a long line. He lit the candles and lowered them into the well, where he proudly pointed out the end of the last log, stating that, if they took that one out, another one would come in its place, and so on indefinitely.

Dr. Duncan Main has had a hospital here for nearly twenty-eight years, which we visited. He is a medical missionary and has done so much good that it would be impossible to describe it. He started on a very small scale, and has added on and bought more land until he has a very large establishment. Those who can pay are charged a good price, and those who are unable to pay are treated free. There is a constant flow of patients. Next door is a Chinese hospital, carried on by one of his graduates, a Christian, who is doing a great work. Dr. Main has also established a hospital for lepers, which I visited. There were thirty-five or forty of them in different stages of the disease. They try to find employment for them as much as possible, cultivating gardens and doing what work they are able to do. I saw one man who looked to be over sixty, but was only twenty-eight. On top of a nearby hill, Dr. Main has some buildings used for convalescents where they

can get fresh air and be away from the stench of the city in summer. The work is now self supporting. He has a chapel, in which services are held once a day, and which all must attend. It is the nicest church inside that I have seen in a long time. Stereopticon views of Christ's life, with a full explanation in Chinese are given once a month.

I visited a Chinese wholesale and retail drug manufacturing plant. In an enclosure were about thirty deer, destined for slaughter, and to be manufactured into medicines, similar, I think, to Radway's Ready Relief or St. Jacob's Oil. I was told, that with the exception of the horns, the entire animal is used. They were manufacturing pills by the ton from various kinds of berries, nuts, roots, bark and various things I had never seen before.

The Alumni of the college gave us a Chinese dinner at which were the Senior class of this year and all the professors, three of whom are Americans, the balance being Chinese. The old Chinese pastor was there. He was the first convert to Christianity in Hangchow—a very fine old man. His son has the Chinese hospital of which I spoke. The young men would be a credit to any college, and were a fine looking lot of fellows, and many of them are making their mark. It is of the greatest benefit to the cause of Christianity, when men get into positions of trust in the Government employ. I urged them to endeavor to create a better and stronger feeling of friendship between the Americans and Chinese nations, telling them that our country was the best friend they had, in the following remarks:

"It is a very great pleasure to meet so many young men here tonight, who have received a Christian education and who have gone out in the various vocations to make their way in the world. You have been highly privileged and you should benefit your countrymen by endeavoring to uplift them, both by precept and example; and I would ask of you to do all in your power to bring about a united patriotic China so that your country may take its proper place amongst the great nations of the world. To use a common expression, when China wakes up, she will be one of the greatest nations, perhaps the greatest nation in the

world, and you can depend on America to assist you to accomplish that end. No nation is so friendly to China as the United States, and I ask you to do your utmost to retain and increase that friendship so that they may assist you in the desired uplift of your country.

"When that will be accomplished no one can predict what the result will be, especially in the world's commerce. As proof of our nation's friendship, I would just remind you of the calling together of the International Opium Commission, the returning of part of the Boxer indemnity, and the recent understanding arrived at between our country and Japan, in which there were five clauses, three of which related to China.

"Mr. Tong Shai Yi has been to America and arranged to send one hundred Chinese young men to be educated in America, and the total amount of the returned Boxer indemnity will be expended in this manner. This will have a very good effect when those young men take their place in Government and commercial circles of this country. The opening of the Panama Canal and the waking up of China are destined to change and revolutionize the commerce of the world, and I hope you will all do your part to help accomplish the great results which we expect from your empire."

The railroad was open for twelve miles, so we took advantage of it to go from the city to the boat landing, six miles distant. This road is patterned after American roads; the cars are similar, and the locomotives, which are built in America, are fine, large ones and are run by Chinese. The roadbed is very good, and is laid with eighty-five pound rails. The bridges are all of steel. When the railroad is completed to Shanghai it will open up this country as nothing else could. The road is well patronized by passengers, considering the short distance opened. They were running ten large passenger coaches, with trains every two hours during the day.

We went across by rail from Hankow to Peking, and from there went to Tientsin, returning to Shanghai. The day before sailing for home, on April 18th, the Chinese

Chamber of Commerce gave us a banquet, which was a grand affair, at which I delivered the following address:

I thank you for the honor you have conferred on me, in having so many representative Chinese merchants to meet me here tonight around the festive board; gentlemen not only from Shanghai, but from many distant centers of commerce. I am pleased to greet so many of you, as it is by these meetings we get in closer touch with each other. The great drawback in this country is the lack of more and better acquaintance with each other, which would enable you to understand one another better. The customs and manners of our two countries are so different that it requires a great deal of intercourse between us.

In the large transaction, which my associates and I have just closed with the Han Yang Iron Works, it was brought about by my getting well acquainted and keeping in close touch with the managers on this side, otherwise the parties to the contract would not have been brought together. We have a slogan in my country, "America for the Americans"; and you have gotten up one in this country, "China for the Chinese." This I consider right and proper, and I trust it will draw you together politically as well as commercially. I would caution you, however, to use good judgment as to how far this is carried. If it means the keeping out of foreigners it will cause you great losses and be detrimental to the advance of China. You need us, and we need you. What benefit would it have been to Hankow and vicinity if this deal that I have just referred to had been prohibited? It means the expending of over two million dollars a year for fifteen years. I am sure no one can say that the expenditure of that amount of money amongst the working people can be other than a great benefit to the country.

If hundreds of other such transactions could be made in China, the country would be on the high road to prosperity. But for trade to be lasting it must be reciprocal, and, while we buy from you, you must buy from us. So trade must be increased, not only in exports to America but also in imports from us. I hope that the visit of our mer-

chants to your country next September will result in increased trade between the two nations. This is the best way to increase friendship. We also look forward to good results from the anticipated return visit to our country of Chinese merchants.

Chapter Fifteen

AN EPOCH MAKING VOYAGE

We arrived in San Francisco on the 14th of May, but our stay was not for long, as we sailed again on August 23, 1910, with a party of business men, thirty in number, sent by the Associated Chambers of Commerce of the Pacific Coast, to visit China. This was in acceptance of the invitation which I had brought home from the Chinese Chamber of Commerce the year before.

The object of this visit was to create and increase the friendly feeling between China and the United States, and also to increase our commerce.

At Honolulu we went ashore, where we were entertained by the Chamber of Commerce. Automobiles were waiting to take us around the harbor, to Pearl Harbor, the Pali, Museum, Aquarium and Waikiki, and back to Young's Hotel for lunch. Governor Freer, ex-Governor Dole, Mr. Waterhouse and Mr. Wood, Secretary of the Chamber of Commerce, with several others, received and entertained us in such a way that we had a most enjoyable day. The people of Honolulu are noted for their hospitality, but, on this occasion, they more than did themselves proud.

The next day we sailed, and got down to work again. Committee meetings were held in the forenoons and general meetings of the Commissioners and the ladies in the afternoons. One morning I addressed the ladies on the importance of the mission in which we were engaged, and tried to impress on them that at times seriousness and tact would be necessary.

A TALK TO THE LADIES

To the Ladies of the Commission:

I have been requested by the executive committee to address you on the part you can and should take on this

trip. No doubt many of you came expecting it to be a pleasure excursion, and nothing more. While I promise you that it will probably be the most pleasant trip you have ever had and its memory will last as long as you live, there is a seriousness connected with it that makes the strongest of us pause and think.

We are going to a people numbering nearly one-third of the population of the world. The Empire of China is as large as the United States, Alaska, all our island possessions, France, Spain and Italy, and still room left. Our self-imposed task is to create a better feeling of friendship between the two nations, and, incidentally, to promote and increase our trade relations. I hope what I have said is sufficient to convince you that none of you has ever been fortunate enough to engage in a work that interests over one-third of the population of our globe.

So that the magnitude of the work before us may not discourage you, I will say that a woman in Shanghai formed a small club, called the Anti-Foot Binding Society. It spread to other cities and word of it finally reached the Empress Dowager. She was so impressed with the earnestness of the members that she issued an edict forbidding in future the binding of any girl's feet. Now, when a custom, which had existed for ages past can be changed by the efforts of one woman, you can well take courage and use your efforts to get in close touch with the ladies, and you will, I am sure, succeed in doing much.

The International Institute in Shanghai has been the means of bringing foreigners and the Chinese together, and the ladies have a club in which they have induced several Chinese ladies to become members. At the unveiling of a tablet in the Institute, I saw several ladies present, which is a great innovation from the old established custom of seclusion for women. I have tried to get some parts of the subject of education assigned to you to investigate and report on, especially the education of girls, kindergarten work, music, etc.

The subject of the Chinese woman and her position, socially and legally, has been assigned to you, and I trust

HOUSEBOAT "ST. FRANCIS" ON THE GRAND CANAL

BRIDGE OF ONE HUNDRED ARCHES AT SOOCHOW

you will make a full investigation and report. You all appreciate the fact that, on the education of the masses depends, to a great extent, the prosperity of a nation. In this, China is sadly deficient, but she is now fully awake to the necessity of universal education. Bear in mind that anything you can do for the uplift of China will bring a reward that all great men and women are striving for, "to leave the world better than you found it."

I have to report the passing of a very short week; in fact, I find that time rushed on so fast that I could not accomplish as much as I wanted to. One day was given over to sports, in which both old and young participated and which was thoroughly enjoyed. On Friday we passed the one hundred and eightieth meridian; therefore, that day was dropped from our calendar. We went to bed on Thursday night and woke up Saturday morning.

One day I called a meeting of the ladies and suggested that they organize, to be in a better position to take up any subject brought to them and be better prepared to give prompt reports and material assistance. They took kindly to the suggestion, and elected Mrs. Dollar, President; Mrs. Booth, Vice-President, and Mrs. Moulton, Secretary. Several committees were appointed, to which various subjects were assigned.

The Commissioners have begun to realize the magnitude of the work we are undertaking. They know now what they did not know before they left home—that they have a man's job on their hands. They are all, without exception, reading and studying the various subjects that will be brought before us. For myself, I have devoted two-thirds of my time to answering questions and telling others what I know. Now, I feel repaid for the time and work I have put in during the past few years in making a study of China and the Chinese, and, while all I do not know about the subject is a hundred times more than what I know, it is a great satisfaction to assist others, even in a small way. Before leaving home I filled a trunk with books about China that I thought would be of service to the Commissioners, amongst them

being a number of copies of the *National Review,* published in China, all of which they used as a circulating library, and which the Commissioners found instructive and interesting.

In regard to the personnel of the party. I am pleased beyond measure with the number of able men we have. They are all well informed men, and there is practically no choice between them, except wherein one man may be better posted on a certain subject than another. President Booth has good material with which to work, and I am sure he will produce extra good results, although I am not unmindful of the old saying—"A wise man defers boasting until he is taking off his armor."

JAPAN

We arrived in Yokohama during a rain storm. The Japanese, wishing to show those who had entertained them in America some kindness, invited our party to visit Tokio. They provided a special car on the railroad and had automobiles in waiting at the station in Tokio. After luncheon at the Imperial Hotel they drove us about the city and then out to the home of Baron Shibusawa, where his son and daughter hospitably received and entertained us. The Baron was in Osaka raising funds for the flood sufferers and the Baroness was confined to her bed. We were then driven to the Nippon Club, where we had an excellent Japanese dinner. After dinner a theatrical company wound up the festivities with a good Japanese play. We returned on board the steamer after midnight.

From the railroad on our trip to Tokio we saw evidences of the recent flood, which had destroyed many homes and crops. It is reported that there is much destitution and suffering among the communities affected, and strong efforts are being put forth to raise money to aid them. Nine of our Commissioners gave five hundred yen.

KOBE

At Kobe the Commissioners went ashore. Many of them visited Osaka and took in all the sights around Kobe.

Considerable headway has been made on the new breakwater, and it will not be long before this much-needed improvement will make loading and discharging into barges possible when it is blowing hard. At present it does not take much wind to stop all work in the harbor. I noticed three dredgers at work deepening the water close to shore to enable the vessels to lay nearer in than at present. The present plan of harbor improvement is to build several piers from shore, so a great quantity of freight can be handled direct to rail or wagons, without the use of lighters.

Going through the Inland Sea the weather was good, and we had a good view of it.

SHANGHAI

At Shanghai we visited various industries, one of which was a woolen mill, three years old and fitted with modern machinery from Belgium. Most of the wool was Chinese grown, but they had a quantity of Australian wool and some South African, which they used in mixing. In this mill and a paper mill, there were about six hundred hands employed.

We left the mill to attend a reception at the Shanghai Taotai's yamen. There we were met by all the great people of the city. The large reception hall was beautifully decorated with American and Chinese flags. There were no speeches, as it was quite informal, and the Americans as well as the Chinese seemed to enjoy it. Quite a number of peacock feathers were in evidence, the owners being mandarins of various ranks. We got back to the hotel in time to dress for the grand banquet at the hall in the Chang Su Ho gardens. We were taken there in a street car, specially decorated with flags and brilliant lights, and electric designs of the American flag on front and rear. The street car company decorated its line for over three miles.

On arrival at the grounds we found them brilliantly lighted, some thousands of Chinese lanterns having been specially made with American and Chinese flags on each. Large electric designs with the words "Welcome" were over the doors. The hall seated over two hundred, and at one

end was a stage where a theatrical troop entertained us during the banquet. The trimmings and fittings on the stage were most beautiful, and any attempt to describe it or the costumes of the actors would fall far short of the reality.

The dinner was semi-Chinese, commencing with birds' nest soup, sharks' fins, and so on. It was very well served, and there were many courses.

The speakers of the evening were Consul General Wilder, on the American side, and Wu Ting Fang for the Chinese, although there were a few others. All did justice to their well chosen subjects in addressing this very unusual audience. There also were great displays of fireworks. Chinese merchants told me that no such preparations had been made since the late Emperor visited Shanghai, many years ago.

The next day, Sunday, a reception was held at the International Institute in the afternoon, where several addresses were delivered, and, in the evening, the Press Club gave us a banquet.

The next morning the party visited a cotton mill, employing six thousand persons, and a silk filature, where we saw an exhibit of finished silks. This took up the entire forenoon. After lunch at the hotel, the party started for Hangchow, in house boats. A boat, with a boy servant, was provided for every four persons. The Palace Hotel furnished the help and did the catering. We left at 1 o'clock in the afternoon and arrived at the Hangchow landing at 10 o'clock the next morning. There we took the steam train for a fifty-mile trip to the city, where we were entertained at luncheon.

All the members of the party enjoyed seeing the world-famous Grand Canal, and the realization of the age of China was brought forcibly to them, when they learned that for twenty-five hundred years billions of people have been traveling up and down this waterway. The bridges, built at that time, are still in perfect condition.

HANGCHOW

At Hangchow we were immediately taken to an official reception and luncheon, and the afternoon was spent in

THE CHAMBER OF COMMERCE OF SHANGHAI ENTERTAINS COMMISSIONERS AND LADIES

viewing the sights of a Chinese city, which only a few of our party had seen before. In the evening, a banquet was given by the Governor of Chekiang Province at his official yamen. It was a magnificent affair, served with all the splendor of the Orient; it was also a most significant affair, as foreigners had previously been most unwelcome in this vicinity, and this was the first time they had ever been received officially in the province. Speeches were made, and the Governor asked us to suggest ways and means by which they could become a manufacturing as well as an agricultural community.

From early morning till late at night the next day the time was taken up in visiting temples, lunching at a mandarin's, and a boat excursion on West Lake—one of the most picturesque bodies of water in China. We went to the temple on the bank of the river to see the famous "bore" come up the river, which only occurs once in the spring and once each fall. It is a great sight to watch the great wall of water—twelve to fifteen feet high—roll up the river from the ocean, carrying everything before it.

Then we left for Shanghai. The cars were all decorated, and the railway company provided dinner for us; in fact, it would have been impossible for the entire community to have devised ways of doing more. Every section man on the road was provided with a Chinese lantern decorated with Chinese and American flags, and every station along the route was decorated with flags and evergreens, and crowds of people were there to see us pass. At the principal cities on the way receptions were held and presents given to each of us.

Returning to Shanghai, the men visited various industrial plants, while the ladies visited missions, hospitals and so on, and a flourishing Young Women's Christian Association of one hundred and sixty members.

The last evening we were in Shanghai we were given a Chinese theater party. The play was on the effects of opium, this subject being chosen because Americans were the first to assist the Chinese in the suppression of the traffic in opium.

We left Shanghai for Nanking. The station was beautifully decorated, and thousands of fire-crackers were set off to wish us good luck. A band played our national airs, and the leading men of the city were on the platform to bid us goodby and God-speed.

The train was a special one of private cars. On the window of each seat was a card bearing the name of the American city of the representative who would occupy it. Each car had a buffet from which we were served with meals or refreshments along the way. It was very unique, and I have never seen anything quite like it. I noticed that every way station, even though we did not stop at it, was decorated and the section hands were drawn up in line on the station platforms. We did not stop until we reached Soochow, fifty miles distant. Here a great crowd met us, in it being nearly the entire membership of the Chamber of Commerce, officials and mandarins. The station was beautifully decorated and a brass band was in attendance. Carriages were in waiting, and we were conveyed to the Governor's yamen, a great big, rambling building. It took us ten minutes to walk through the intricate passages and rooms before we reached the audience hall where tables were set for one hundred and fifty people. The decorations of cut flowers were beautifully combined with artificial flowers and many works of art. The Governor made an address, to which I replied as follows:

Those of us who know a little of your customs, know that your hospitality is unbounded, but, in the manner in which you have received us, in the different places in China, I must say you have excelled yourselves. Our primary object in coming seven thousand miles to visit your country was to increase the friendly relations between our country and yours, and from the enthusiastic manner your people, from the highest to the lowest, have received us, I am firmly convinced that this result will be accomplished in a manner exceeding our fondest hopes.

But we have another object in our visit, and by some of you it may seem primary, instead of secondary. This

object is to increase trade and commerce, and in offering suggestions to you on this subject, I cannot help feeling like a small boy coming to his great grandfather and giving him advice, as I am a citizen of the youngest of the nations, addressing many citizens of the oldest nation on earth. I also realize that your nation represents one-third of the human race.

You have a very rich agricultural country, perfectly level land, and as productive as the best of any country, but you lack manufactures. No nation has ever become truly great, measured by our modern standards, that has not engaged extensively in manufacturing and shipping. A merchant marine is a necessary part in the development of any great country. All these things you lack. At a meeting of this kind, with limited time, it is impossible to accomplish much, but I would suggest to your merchants and bankers to meet us at some future time, when we can discuss fully how best we can increase your trade. We are not here for pleasure—we are here to develop and increase trade. What we want and must have are practical results, and if we do not get them, our visit here will have been a failure. So we want to get in close touch with your merchants, that the much desired result may be accomplished.

I was loudly applauded by the entire audience when I finished my talk.

We left at 2 o'clock in the afternoon and our next stop was at Yuseh, the great silk center. At this place the crowd was larger than ever, and extended even into the fields. We gave and received many presents, and proceeded on our journey.

At Changchow, the Chamber of Commerce gave us an address to which we made proper reply, and each of us was presented with a package of tea of their own growing, as this is a tea growing section. They are particularly proud of the fine quality they produce.

At Chingkiang, after we had attended a luncheon, we took the train for Nanking, which brought us right through

to the Exposition grounds without changing cars. The grounds and buildings are a credit to the Chinese, as this is their first attempt at expositions. The American exhibit was very fair.

NANKING

In the early evening the ladies of our party were invited to a tea at the home of Lady Chang, wife of the Viceroy. This was the first time such a function had ever been given to foreigners, but the affair went off in fine order. An hour was spent here, and the conversation was interpreted by three girl students from the Mission schools.

Later, the ladies joined us at the Viceroy's banquet hall, where one hundred and eighteen sat down to dinner. The table decorations were all that could be desired; in fact, one could only see a short distance on account of them. I was fortunately located near the Viceroy's Secretary, Taotai Chung Mun Yew, the managing director of the China Merchants' Steamship Company, the Government line, and Taotai Wang Chung Liang, the managing director of the Pukow-Tientsin Railroad. They talked very good English, so it made a very pleasant party, and I enjoyed the evening better than any entertainment I had attended in a long time. The conversation was animated and dealt with the subjects that are now troubling China, and as they all had their hands on the pulse of matters deeply affecting their country and the rest of the world, it was intensely interesting and instructive. Although we were on a commercial trip, politics and the policy of China and the nations closely connected with her prosperity, or in many cases her adversity, always came to the surface, especially when we came in contact with the great men of China.

The Viceroy delivered a speech of welcome, and asked us for advice and criticisms of China. Mr. Hotaling made a stirring reply, which no diplomat or representative of any government would have dared make, as he would have instantly lost his position. Our Commissioners have been in China only ten days, and have seen in this short time enough to convince them of the injustice that is being inflicted on

CAMELS, ELEPHANTS AND OTHER ANIMALS OF STONE LINE THE ROADS AT THE MING TOMBS

the Chinese by foreigners. For instance, on a sign board of a park in Shanghai is a notice that no Chinese are allowed unless they are servants to Europeans. This, our Commissioners could not understand, especially as the Chinese pay nine-tenths of the upkeep. Verily, a day of reckoning is coming.

After the banquet, at 1 o'clock in the morning, the Viceroy sent a message to me, stating that if I was not too tired he would like to have an hour's conversation with me. In this conversation many matters were discussed that were of great importance.

A double row of troops, on each side from the street entrance to the house, presented arms as we went in. A fine military band played our American national airs. The next morning we saw a drill of one of the Viceroy's regiments (he has sixteen thousand troops here). No one was admitted to this but our party, as it was for our special benefit.

Some of our party knew considerable of military affairs and enjoyed it immensely; as, in fact, we all did. The drill was entirely German in style. They showed us their barracks' gymnastic drill, which was wonderful, as the athletes were not selected but a company chosen indiscriminately for each particular drill. One of our party, who was well versed in military affairs, remarked that had he not seen for himself he could not have believed that they were so proficient. After it was over the General took us into the officers' mess room, where cake, wine and tea were served at a long table specially prepared. We learned that a soldier's wages averaged about three dollars gold, a month, out of which he boards himself. We were told that now men of good families join the army, but up to five or six years ago it was considered a disgrace to join.

We had another display of New China in the Exposition grounds. In the large audience hall about one hundred children from the Mission kindergarten school gave us an exhibition. There were little tots from five to six years old, and a class of sixty girls from ten to twelve, who sang American songs, played the piano, etc.; then as a contrast, music of China's old style was rendered. The contrast was very

great, and showed what rapid strides the new education is making. The manager told us of the seemingly insurmountable difficulties they had overcome, before the Exposition grounds were thrown open to the public. The ability and energy they have shown in getting up such a creditable exhibit from people who had never heard of such a thing before, are wonderful.

We had a reception at the Nanking University, which is a combination of Methodist, Christian and Presbyterian churches—all American. The union of churches and colleges, as well as missions, is the proper way; in fact, China is showing us the way in this respect. It is a great saving of money, talent and effort, and is getting far better results and far greater respect from the Chinese.

Professor Davis, the President, delivered a short, concise address. They have six hundred students, and the buildings are full to overflowing all the time. They have twelve hundred communicants in connection with the various missions in the city. There is such a demand for educated young men that it is hard to get them to take the full course. High wages are offered them as soon as they receive only a fair education. The university authorities have had the foresight to secure large, desirable grounds, and their future looks bright, while their power for good, as the years roll on, will be felt all over China.

After the address and informal talks I visited the buildings and grounds where I found they were erecting excellent, permanent buildings at a very low cost, which proves that their management must be of a high order.

The Provincial Assembly of Kiangsi Province, which corresponds to our State legislature, invited us to a banquet in their building. They are just getting started in this venture of constitutional government, so this meeting of the assemblymen was most important, as they were extremely anxious to learn from us what has proved good and what is bad in our form of State government. On our gathering in their assembly hall the President of the Assembly proposed a toast to the health of the President of the United States. The building was really opened in our honor, as

this was the first meeting held in it. Many speeches were made, both in English and Chinese. The banquet was a wonderful affair, caterers and food having been brought from Shanghai, two hundred miles distant.

This is the only session that has been held by the Assembly, and that in a temporary building; but they will soon hold regular sessions in their own building, which is built on modern plans and in the most approved style. All this is preparatory to the establishment of the Federal Government in Peking.

We visited the Ming tombs, outside of the city wall, driving in carriages to the gate and from there being conveyed in sedan chairs. The last Ming emperor was buried here over four hundred and fifty years ago, and the first one of record was buried about eighteen hundred years ago. For China, the tombs are in a fair state of preservation. A few of the descendants live there, and have sufficient land to support them, but according to our ideas of looking after such historical places they are sadly neglected. Great stone elephants, camels and dromedaries and various other representations of animals, line the road on each side. They are about three times the natural size, and fences surround them to prevent vandalism by our civilized European and American travelers!

I had denounced in very strong terms the vandalism of parties who had marked these monuments, but our party put it all back on me when, on investigating one of the huge dromedaries, we saw the name of the steamer "Hazel Dollar" carved. Evidently, one of our officers had gone up there when the steamer was in Nanking and with a chisel had carved her name in the stone. So they had a joke on me, stating I had better look after my own people before advising others.

Our hosts again outdid themselves in thoughtfulness and hospitality, for they actually had tables, chairs, carpets and refreshments carried out from the city, and we were served in the temple at the tombs. And all this from a people so recently said to be antagonistic to foreigners! With all this display, I am pleased to say that we never lost

sight of the fact that we were here for a purpose, and kept strongly before our hosts, the fact that we wanted to establish trade relations between our countries. I must say that whenever we talked trade and commerce, ceremonies disappeared, and, to use a military term, they immediately "stood at attention" and listened intently to all we had to say.

HANKOW

At Hankow, I found the Yangtsze Engineering Works had doubled in size during the year. They have plenty of work on hand, and now employ fifteen hundred men.

When we were about ready to sit down to the luncheon, Mr. Wong came to me very much excited and stated that the caterers had brought the lunch from Hankow with plenty of wine but not a glass, and there was none within six miles of the place. He wanted to know what I would recommend him to do. I replied, "Say nothing, and leave the matter to me." So when the party sat down I called their attention to the fact that there was no wine on the table, being the first luncheon or banquet we had attended in China without it. I noticed, after I made this remark, that Mr. Wong turned pale; but I followed it up by saying that he was the only one who understood American customs, as it was not customary to serve wines with luncheons in America.

We next visited the Han Yang Steel Works, and after seeing the mine at Tah Yei and this big plant, our members changed their opinions of Chinese industries and of their management by Chinese. We stood at the end of the rolling mill and saw bars, plates and steel rails all coming out in various merchantable shapes. We learned that there were about twenty-five thousand men employed in the coal and iron mines, coke ovens, transportation and in the plant. They have many tugs, barges, junks and steamers, about sixty miles of a coal railroad and fourteen miles of an iron ore railroad. This plant is located in about the geographical center of China and on one of the greatest rivers of the world, which, at the works, is about a mile and a quarter

wide, and up which for eight months in the year vessels drawing thirty feet of water can go for seven hundred miles from the ocean.

Sunday was a day of rest only in our imagination, as we went to Wuchang, to an official banquet given by the Viceroy of Hupeh Province. He sent two gunboats to take us across the river and back. His Excellency thought his yamen was not grand enough, so he rented a very large building and fitted it up in grand style for this function. The road was lined with soldiers, and in the halls and the large court, military bands played as we went in. About one hundred and fifty sat down to the banquet. The decorations were very fine, and the walls were hung with very large American and Chinese flags. The flowers and silk trimmings on the tables exceeded anything we had seen in this line. This banquet lasted about three hours, and when we returned to Hankow we found a meeting had been called for the Committee on Commerce, so we drove to the Chamber of Commerce where we had a talk with twenty of the leading merchants on trade matters. From there we drove to a church service, and listened to an interesting sermon on what missions had done and were doing for China. After church we went to dinner at the home of Mr. Wong Kwong. Certainly a full day for Sunday!

The next morning we visited cotton, hemp, flax and silk factories and a large grist mill, finding them all large, modern, up-to-date plants. We also visited a Russian tea factory, where they made tea into bricks for exportation to Russia. The tea is ground, steamed and pressed by hydraulic power into bricks about four by six inches and one inch thick. It looks like black plug tobacco. This is quite a tea center.

A large reception and banquet was held for us at the Chinese race track, two miles outside of the city. Although we were not aware of it, this proved to be the grand event of our trip. The buildings were very large and commodious, and the grounds were laid out in shrubs and flowers. In describing this entertainment I want to say that it is impossible to do it justice. I asked a newspaper reporter if he could

describe it, but he said it was impossible. In driving out from the city the road was so crowded that the carriages had to go slowly, and when we neared the place, the crowd was so great we had to go at a slow walk, with frequent stops, until at the approach to the grounds, a passage was cleared by soldiers.

A triumphal arch, commanding a fine view of the grounds had been built three stories high. This was full of people. It was brilliantly lighted with electric globes of different colors, and presented a gorgeous appearance. From the verandas we had an opportunity of seeing the crowds which extended around for a radius of half a mile. It was as light as day from the brilliancy of the lights and the fireworks. Military bands, as well as native ones, and bugles and drums made music and noise to please all classes in the crowd.

The reception rooms presented an animated appearance, and the large banquet room was packed to its utmost capacity. A Chinese dinner was served, the entertainment being furnished by the Hankow Chamber of Commerce. The Vice-Chairman made a very good, carefully prepared address along commercial lines, which was well received by our party. Mr. Booth, in introducing me as speaker of the evening, said an introduction was hardly necessary as they all knew me. He paid me a very flattering compliment in saying that I was not only a man that said things but did them, and in the development of American trade in Hankow I had played a conspicuous part. I confined my remarks to the Yangtsze Valley, as follows:

Before proceeding, I cannot permit the opportunity to pass without thanking you for such a princely reception and, I say without fear of contradiction, that no commercial body of men in the history of the world ever had such a reception.

I will endeavor to confine my remarks to a talk as a business man to business men, and consequently they must be practical. The object of our visit was set forth in the invitation which you sent us. At the end of it you say, "To promote good will, and the growth of trade between the two countries." You have divided it into two parts: the

first part has been dealt with fully everywhere we have gone; our receptions have been sincere, enthusiastic, and even this early in our journey, I consider it has been accomplished. The second part is not so easy and will tax to the utmost all our thoughts, ability and energy to accomplish.

As I am addressing an audience in what you are very proud to call the Chicago of China, and which I accept as a great compliment to Americans, I will confine my remarks to the Yangtsze Valley. Seeing that one quarter of a billion people live in this valley and its tributaries, I confess to have taken a subject so great, that it is entirely beyond my ability to do it justice. Hankow trade has been increasing by leaps and bounds. Trade statistics show that during the last fifteen years trade has increased tremendously. This, in some measure, is the result of railway communication, which has only begun in a small way, and as we look forward to Hankow being the railroad center of China, it being at the head of deep water navigation, it will certainly be the great commercial center of China.

The reason for this is not far to seek, as this is one of the richest agricultural valleys in the world and capable of producing in abundance everything that man requires. Up to the present time you lack large manufacturing plants, but, with your agricultural productions and your natural resources, you will be able to manufacture for the whole world.

In time your river must be made navigable all the year for vessels drawing twenty-five feet of water. This, I know, may seem an almost impossible task, but greater things have been done. I have given this subject some thought, and I consider it an absolute necessity that the work be done. There are only two shallow places to be overcome, and as soon as trade develops as we expect, the necessity will be more apparent. So do not be discouraged, as men, money and energy can accomplish anything within reason. The United States is engaged in a much greater undertaking at present (I mean the Panama Canal); and I expect to live to come up this river some January or February, in one of my vessels drawing twenty-five feet of water.

As to the future prospects of this great valley, I have often thought over what they would be, but I am free to say that the possibilities are so great that it is beyond my comprehension. As to agriculture, the high state of cultivation could still be bettered by fertilizers, the crops increased fifteen to twenty-five per cent, and much more remunerative crops raised. I commend this suggestion to your careful consideration. A few years ago sessimum seed was almost unknown. Now, your exports of this commodity are very great, last year exceeding one hundred and twenty thousand tons. No doubt you will also go into cotton growing on a large scale, especially when your cotton mills will be built in numbers and on a large scale.

But when we consider your minerals, we are lost in wonder. A German expert claims there is more coal in this valley than exists in the rest of the world. I think it quite safe to make the same estimate of your iron ore. Now with those two minerals lying side by side in a country of cheap labor, and an abundance of it, the day is coming when the production of steel from this country will exceed that of all other countries.

Railroads are wanted to open up and develop your country. You have an example before you of what the Pei Han Railroad has done for the country through which it passes. When this road was built, there was no freight to carry, except in harvest time. It is now taxed to its utmost capacity. The South Manchurian railroad has been double tracked, and it also, at times, cannot carry the freight offered. One and a quarter million tons of beans, alone, came over that road for export in 1909, and as you continue building additional roads you will find these conditions will continue.

I consider the Province of Szechuan the greatest mineral bearing country in the world, and with its forty-six millions of people, as soon as the railroads run through there, we shall hear from it. It is practically unknown to the world now, except to a very few travelers.

From what I have said, you will readily understand that you have a gigantic task on your hands. It will take all the energy you are possessed of, and you must have money

V. K. LEE
General Manager Han Yang Iron and Steel Works

to do it with. One very important factor is what we call "Captains of Industry" to direct all those great works. I am pleased to say that you do not require to go abroad for them as from personal experience I know you have them right here.

However, I wish to say to you, all these great undertakings can only be accomplished by lots of hard work, and you must be up and doing, as your valuable heritage is of no value unless you develop it. The United States also received a valuable heritage, and by persistent hard work it has developed into a rich country. You have as good an opportunity as we had. So you have a prospect ahead of you that no other country has, provided you grasp the opportunity. The making of New China is in your hands.

After the speeches, all went on the verandas to see the fireworks. A tower of bamboo poles had been erected, about sixty feet high, and from this the various pieces were set off. None of us had ever seen such a display. We have been told by different classes of people that there had never been such a reception given to any one in China, and the significance of it is that Hankow is destined to be the greatest commercial center of China.

We left Hankow in a special train provided by the Central Government. At the beautifully decorated station, fireworks were set off, and the principal merchants and citizens, as well as a representative from the Viceroy of Hupeh Province, in which Hankow is situated, were there to bid us God-speed.

On the way, we noticed that the harvest was about over, and the farmers were preparing the land for next year's crops. Our party was much surprised to see such a rich agricultural country which, with the exception of one slight elevation, is perfectly level the entire eight hundred miles from Hankow to Peking. One fact is apparent to all—that it is a very rich country mostly of alluvial soil, but having been under cultivation for thousands of years it now needs fertilizing on a large scale. This would increase the crops very much.

PEKING

When we arrived at Peking, the appearance of the city was so different from that of any other we had visited that it could not help causing surprise. Not a flag or piece of bunting was in evidence, and there were articles in the papers that the Japanese were complaining bitterly that their party of distinguished business men, who had just preceded us, had not been well received. However, the Imperial Railroad provided a special train and took the party to see the Great Wall of China, providing a very nice lunch. We learned that the Hankow people paid all our hotel bills, so we sent them eight hundred dollars to be used by the Chamber of Commerce. The day after arrival, we were invited to see the Summer Palace, situated twelve miles out of the city. This was a rare sight as it is closed to visitors. The grounds cover several hundred acres, having a lake about a half mile long by a quarter mile wide, in the center. They have been laid out, and buildings have been erected, regardless of expense. We were shown the apartments of the late Empress Dowager, her reception and throne rooms. The painting of the Empress has been veiled since her death, but it was unveiled for our inspection. Boats were provided for us on the lake, and the Barge of State was opened for us.

The barge is built of cement and stone, two stories high, and without question it is a most remarkable craft. When not afloat, it looks like a marble palace, and is about eighty feet long and thirty feet wide. The first floor is about four feet above the water, and there are stone steps on each side leading into the water. Marble pillars support the next story, and a small tower surmounts the whole. At first, I could not believe it was afloat, as the appearance of solidity was such I could not think of its being other than a palace of marble. The rudder is of cement, and as far as I could see under the water it was all cement. It is used on all great state occasions. The appearance of the whole place, grounds and buildings, is that of an evacuated fairy land.

When we got to the gate over twenty foreigners were waiting outside, and when the door was opened they forced their way in amongst our party, although we had never seen them before. Each one of them was armed with a kodak, and, when in the throne room, a boy of their party was detected by an attendant taking an ornament. We requested the Chinese to allow our party to go alone, so that we would not be blamed for the misdeeds of others.

In the evening we attended a reception of the Legation, given by Minister Calhoun in our honor, at which all Americans in the vicinity were present. Later, the same evening, we went to a banquet given by the Press Club of Peking where there were about sixty foreigners and Chinese present.

On Saturday, the men of our party were invited to the Imperial Palace, in the Forbidden City, to be received by the Prince Regent. We drove in carriages to the palace court, as near as carriages are permitted to go, then passed several gates and courtyards before we came to the reception room, where we were received by the court officials, and wine and cake served. From here, we marched two abreast to the Court room, through two gates, and across courts paved with large, flat stones.

The throne room was small, and at one end was the throne chair on a raised platform. We lined up in front of the platform; our Minister, Mr. Calhoun, and Dr. Tenny as interpreter, stood in front of the line, and in a few minutes, the Prince Regent entered by a door leading to the back of the platform, which was closed by a curtain. One attendant held the curtain back so His Highness could enter, and another followed him, one standing at each side during the conference, which was carried on by Mr. Calhoun and the Prince. He inquired if we had been well received and if we were pleased with our visit.

Mr. Calhoun explained that our visit was strictly on business and had no political bearing; that we were just ordinary business men from the Pacific Coast desiring to increase the trade and commerce between the two nations, and create a stronger bond of friendship between China and

the United States. The audience lasted about ten minutes, after which the Prince retired and we filed out. We learned that we must not turn our backs on him, hence his leaving first. There were twenty-six in our party, this being the largest number that has ever been granted an audience, and this is the first time that ordinary business men have been presented to the Chinese Throne. We returned to the reception hall where we sat down to a luncheon, and had an interesting unofficial talk with the officials on subjects political and commercial.

We then proceeded to the Foreign Office, to a formal luncheon, where we were received by the various Ministers representing the different boards. I sat with the Minister of Communications and Mr. Liang, who really runs the bureau, and had a two-hour interesting talk with him on the railways of China, a subject in which I am very much interested.

In the early evening, Ambassador and Mrs. Calhoun entertained us at a reception at the Embassy, and later we were given a banquet at the hotel by the Provincial Senate.

Sunday, we tried to keep free, but the Chinese would not have it, inviting us to an elaborate luncheon at the Botanical Gardens. Large tables were placed in four rooms, and about two hundred sat down. After luncheon the guests were taken around the gardens in chairs and rickshaws. My old friend, His Excellency, Shen Kung Poa, requested me to remain and meet the Ministers of Foreign Affairs, Commerce and Communications. We had a conference which lasted until 5 o'clock. Our conversation was mostly general, including international affairs, commercial, railroads and finance. In the evening we were entertained at a beautifully decorated banquet, given by the Chamber of Commerce.

TIENTSIN

We left for Tientsin the next morning on a special train provided by the Government, which included all their best carriages, even one used by the late Empress Dowager. We were received at Tientsin by officials and merchants,

PRIVATE CAR OF THE LATE EMPRESS DOWAGER OF CHINA
ATTACHED TO TRAIN OF AMERICAN COMMISSIONERS

and carriages were provided to drive us to the hotel. The afternoon was spent in visiting the schools and museum. The manual training school was most interesting, showing what work is being done with outcasts in teaching them trades. The result of their work pays the running of the institution. At 6:30 o'clock we were driven to the Viceroy's yamen where an elaborate banquet was prepared for us. The room easily accommodated the two hundred guests. It was thirty feet high, and other rooms, with floors raised four feet, open on the main hall and surround it on three sides. These rooms are all beautifully furnished with Brussels carpets and Chinese decorations, blending old and new China. As the Viceroy of Chili Province is the ranking Viceroy, he was the most important personage we met outside of Peking. Li Hung Chang and Yuen Shai Kai, each occupied his place in their day. They were two of the most distinguished of China's great men. As we drove into the court, great numbers of soldiers lined the way and presented arms. A military brass band was in attendance, making it a very grand affair. The banquet hall was gaily decorated with flags and flowers. The dinner took three hours to serve, as is usual with great Chinese dinners, and the speeches were congratulatory and of welcome.

The next morning we visited the university, and at noon had luncheon at Li Hung Chang's Memorial.

In the evening we went to a banquet given by Mr. Sun. One feature of this function was the illumination of the grounds, which consisted of differently colored incandescent lights placed in rows about two feet apart on each side of all the walks. The Government had given him a number of soldiers as a guard of honor, in addition to a military band.

Wednesday, we left on a special train to visit the Tongshan coal mine, belonging to the Chinese Engineering & Mining Company, which is a modern, up-to-date and well equipped mine of soft coal. In all the shops and mines there is not a piece of American machinery, it all being of Belgian manufacture. They have installed great electrical plants, and as it is conceded that the American installation

is the best, it would only have required a good, practical man to be on the spot to have gotten that business. We also visited a cement plant entirely fitted out with Belgian machinery. At present this district vies with Hankow as to which will be the great industrial center of China. Tientsin, however, has an eighty mile rail haul either to Tongku or Chinwangtao, and this latter port must be deepened and extended before it can become one of the great ports of China. At present a steamer can load to twenty-two feet, but this can only be done by working her at high water. However, as the bottom is very soft and easily dredged, this is not a serious matter. As this is the only ice-free port on the north side of the Gulf of Pechili it is of great importance to the Chinese Government; in fact, to all people doing business in Northern China.

As to the future prospects of this district, it is not difficult to predict that they will be great. Iron has been found eight miles from the coal mines, and if it proves to be of any great extent or value, Tientsin will be a great rival of Hankow. The conditions are ideal for development as the country is perfectly level and railroads can be built at a minimum cost.

On returning to Tientsin, my business friends had a private dinner ready for us. The party consisted only of those interested in business, six Chinese ladies and Mrs. Dollar also being present. At midnight we went aboard the steamer "Hsing Ming," and sailed for Chefoo.

CHEFOO, FOOCHOW AND AMOY

At Chefoo they had made great preparations to receive our party. Two Chinese cruisers and several launches were bedecked with flags. At the landing, evergreens and flags were in evidence, and a long, double row of soldiers presented arms as we drove through their ranks in rickshaws. We had a conference with business men lasting most of the afternoon. All matters of commercial interest to both countries were discussed. We found trade had decreased here, and our share of it had fallen off more than that of any other nation. Without railroad communication to the

interior, general trade will decrease still more, as the Germans from Tsingtau, through their railway communications, are cutting into this trade and the Tsingtau trade is increasing rapidly.

At 5 o'clock in the afternoon we had a reception at the American Consulate, which was a friendly and informal affair, and from there went to a banquet. We sailed at midnight for Foochow.

We were due to arrive at Foochow in the morning, but were delayed. When we got in, we learned that a reception committee had been waiting for hours, with house-boats and tugs. We went directly to a banquet which had been prepared for us. The streets were crowded with people, and we had barely enough room to pass in our chairs. One noticeable feature, was the number of small school children dressed in white, every other one having an American and a Chinese flag, alternately.

When the banquet was over at 1 o'clock in the morning, we were surprised to find the children still lined up to see us pass out to the various private houses to which we had been assigned, and where our kind hosts made us as comfortable as if we had been at home. There were one hundred and thirty present at the banquet, which was headed by Viceroy Sung of Fukien and Chekiang Provinces. The Tartar General Pu was at the table. It appears the Prince Regent was not very sure of the loyalty of the people, and sent the Tartar General here, as he is said to be over the Viceroy. There were a number of officials, some merchants, and some from the Provincial Assembly. We found the members of the Assembly always glad to receive ideas from us, as their legislature is in its formative state and there are many perplexing questions arising.

I find in this city, as in all other important cities, that there is a Japanese daily newspaper printed in Chinese, which is moulding the minds of the people in the Japanese way.

As usual in Chinese rivers, the Min River was full of boats, junks and other craft. We met many rafts of poles coming down. These poles, it is said, take about fifteen

years to grow, and there is continual reforesting going on. The poles are all carried out of the woods on men's shoulders to the river, where the rafts are made and floated to Pagoda anchorage, from distances of eighty to one hundred and eighty miles, where they are loaded in junks and shipped to all Chinese ports. They go by the name of Foochow poles. It is difficult to estimate the extent of this trade, but it must run into hundreds of million pieces each year. The fir of the Pacific Coast feels this competition keenly. Going up the Min River from the ocean to Foochow, something over thirty miles, is one of the most picturesque sails in China, and was very much appreciated by our party.

At Amoy, a reception committee came aboard and escorted us ashore, where a number of Chinese merchants were waiting to escort us to the Bank of Communication, where we were served with refreshments and an informal reception was enjoyed. Thence, we were conducted to the Chamber of Commerce, and were formally introduced to a number of the members.

We then returned to the river, passing great crowds along the streets, and went aboard a tug which took us to the limits of the harbor, thence we proceeded a quarter of a mile on land to the Nan Pu Temple, one of the most celebrated in China, which was rebuilt about four hundred years ago. A luncheon was served here by the Chamber of Commerce, at which Taotai Kno and Major General Hung participated. A feature at this luncheon was the presence of a number of retired Chinese merchants from the Philippine Islands. One of them had lived in Manila for fifty years.

This was the first city that brought the immigration question to our notice. They claim, that as in San Francisco, the Chinese are now suffering in Manila from the mal-administration of the law. It was temporarily passed over by the statement that the Commission was going to Manila, and would investigate. No doubt this is only a commencement of what we will hear in Canton. An inscription was cut in a huge rock at the temple, commemorating the visit of the American fleet, and alongside of it a

A JUNK UNDER SAIL LOADED WITH FOOCHOW POLES

Deck Loads Often Extend Twenty-five Feet on Either Side, the Cargo Dipping into the Water

place had been prepared to commemorate our visit. Consul General Julian M. Arnhold did his utmost to make our visit to Amoy pleasant and profitable.

CANTON

We arrived at Hong Kong in the evening and sailed for Canton the next morning on the steamer "On Lee," which was put at our disposal by her Chinese owners. We landed at the Admiralty building, which had just been completed. It is a fine, large, modern structure for headquarters of the navy in Southern China, and is located fifteen miles from Canton. We were met by a gunboat—the Captain bringing us a message from the Admiral giving us the freedom of the port and welcoming us to Canton. This gunboat convoyed us to Canton.

On nearing the city, we could see the illumination, and as we got close enough we found it to be the finest of the many good illuminations we have seen since our arrival in China. Both electricity and lanterns were in evidence. On landing, a great many troops were drawn up in lines on both sides, and as we marched through their ranks, they presented arms, the bands striking up American tunes.

We were met by a representative of the Viceroy, who, unfortunately, was confined to his bed. The Tartar General, Admiral Li, Taotais and representatives of the Chamber of Commerce were all in line to receive us, so we felt at ease, as we had been a little anxious on account of the immigration and boycott troubles. About one hundred and fifty sat down to the banquet, where short addresses only were made.

Two gunboats took us to the hotel in the shameen (island) where we arrived shortly after midnight. The next morning we visited the temple of five hundred genii, where Marco Polo has a very prominent seat. We then visited the ancestral temple of the Chan family, where we had a two-hour conference with Canton merchants and where a luncheon was served. This is one of the most beautiful temples in China, and with the added decorations it was a grand sight. Mr. Waldron, of Honolulu, replied to the Chamber of Commerce address of welcome, and I gave an address on the

question that most interested the Cantonese, immigration into the United States.

Mr. Ng Poon Chew, of San Francisco, interpreted it in his usual able manner, which brought forth great applause from the Chinese audience. On account of the size of the hall and the great height of the roof it was difficult to talk, but I got the audience to gather close round and all heard very distinctly. From what we could learn from the Chinese, they were quite satisfied with my explanation, and it disposed of the subject. Following is my address:

This is the question of questions before the Chinese and American people. It is many sided, and has its wrongs and its rights on both sides. As to the treaty itself, which is the foundation of the relations between the two countries, talking for the American side, we have this to say, that: inasmuch as it will be up for revision in a short time between our governments, and seeing that at that time it will be left to the diplomats of both nations to decide what is the best for both countries, we are quite willing to leave the entire matter in the hands of the distinguished Chinese and Americans who will be chosen by our respective governments to make a just and suitable settlement of all the points at issue. Therefore, we think it would be out of place at the present time to discuss this phase of the question.

As to the treatment of the Chinese in San Francisco who are entitled to land, this matter has not been ignored or neglected by our people. Three months ago a committee of fair-minded men were appointed, three by the Merchants Exchange and three by the Chamber of Commerce, and a thorough investigation was made. I devoted a week of my time to this work, being Chairman of the committee. I felt in undertaking this work that the Chinese were not being properly treated. I cannot do better than read my report of the committee, which was sent to the Commissioner of Immigration, the Secretary of State and to the President:

"We interviewed the Chinese Chamber of Commerce, the Six Companies, the Chinese daily newspaper, and Chinese merchants, and on the other side we had conferences with

H. North, Commissioner of Immigration, and several of the immigration officials; and finally we spent a day meeting the "Chiyo Maru" and another steamer, to see what sort of reception the Chinese had. We followed them to the station at Angel Island, where we saw the passengers examined, and through the courtesy of the officials were shown through the entire buildings and plant, and were given every facility to see the treatment of the Chinese in every stage of the examinations, and the manner of their treatment before and after deportation. After an impartial consideration of both sides of the question, we find that cause for complaint exists to some extent, but on the whole it has been exaggerated.

"We found the examinations to be unreasonably severe, and to answer the questions asked, correctly, was an impossibility, and as the applicants have to prove their own case (in criminal cases the criminal is considered innocent until he is proven guilty—here he is considered guilty until he proves himself entitled to land), their own evidence, if taken literally and compared with the witnesses, would be sufficient to exclude every man, woman and child from landing.

"For instance: the eight or ten-year-old son of a merchant is asked his grandmother's maiden name on both his father's and mother's side, the names of people living a block or two distant from his home, their children's names, age, sex, etc. Then the father, who has not been home for years, is asked to corroborate his son's statement, which is simply impossible.

"We find those attempting to land have great difficulty in getting witnesses to go to the station to testify. One young man, a native son, had been two weeks waiting. The witnesses arrived when we were there, so he would have no trouble in landing. This refers only to those witnesses who live around the bay. But many arrive whose witnesses live in distant States. The papers in their case have to be forwarded to the representative of the bureau nearest to where the witness lives, and in the event of change of residence or pressure of business of the official, it makes it a very long

and tedious wait. The system of examining the witness is so complicated it seems to us that it is impossible for any person to enter who is not entitled to.

"The buildings, manner of caring for and feeding the immigrants are all that could be desired, and in justice to those in charge we congratulate them on the conditions as we found them.

"We were informed that those arriving in the first-class cabin had their examination commence at Meiggs' Wharf, which was completed as soon as possible, so that they had no delay in landing, and not one in a hundred was detained. The Chinese have furnished us with details of forty-five cases, all during 1910. Some of them look bad for the officials, but as we only got the Chinese version and not the inspectors,' we do not think it fair to comment on them, but for the sake of commercial good-will and justice we think the Government should investigate. If they desire it, we would give them the numbers of the cases, and in the meantime our consuls should be requested to allay the irritation in China, assuring merchants and students who are entitled to land that they will be allowed to land without any indignities being offered them, and that the department will see to it that instructions are carried out, not in letter only, but in spirit. In view of the fact that a large number of our most influential merchants leave this Coast to visit China next month, we consider the foregoing important. We ask justice and a square deal for those who are entitled to land, the same treatment they give us in landing in China.

"We offer the following recommendations:

"First—That a more reasonable and rational method of questioning be adopted.

"Second—That all witnesses, white or Chinese, who live in San Francisco or neighboring towns, be examined in San Francisco, as a witness who has no particular interest in the person, might go to testify in San Francisco, but would refuse to go to the island, especially as it often happens the case would not be reached the first day the witness went, thereby necessitating his making two or more trips.

"Third—That examinations be expedited by sending for witnesses, as the party being locked up has not the means of getting them."

I think that the Chinese should be examined in Canton or Shanghai by the Taotai and a proper American Government officer, whose certificate shall be final, and any person having that certificate should be allowed to land without further examination. I cannot, however, caution you too strongly to have your Government officials see to it that no fraud is perpetrated, as the fraudulent certificates issued some years ago by corrupt Chinese officials and certified to by mercenary American Consuls, who, along with their interpreters, all got suddenly rich, were the cause of all the present trouble.

On my visit to Angel Island I saw several Chinese women that had been brought over by their owners for immoral purposes. They were caught and ordered deported. No doubt they were brought from China through the connivance of our officials who would receive money if they landed. It has become a notorious fact that the wives of merchants have trouble in landing, while women of other classes have, in too many cases, no trouble getting ashore. The Chinese can have no complaint against the exclusion of this class, as our laws prohibit their importation from any country. I saw some white women among the Chinese who had been ordered deported. In the cases of bona fide students—for some time past none have been refused admittance. Many are going from Shanghai, and there has been no trouble. The Young Men's Christian Association there writes to the Association in San Francisco, and a paid representative goes to meet the immigrant on the steamer and gives him all the assistance required. This information is no hearsay, as I have given it my personal attention.

In conclusion, I earnestly ask you to stop the fraud at your end and we will do our utmost to see that it is stopped at our end, and that any Chinese who are entitled to land shall be landed, without delay or any indignities being offered to them.

After the luncheon chairs conveyed us to the terminus of the Hankow-Canton Railway, where we were ferried across the river to the terminus of the Fatshan Railroad at Shek Wai Tong, where a special train was in waiting to convey us to the end of the line. The cars and all the stations were decorated, and firecrackers were set off at every station as we passed.

At Fatshan a building had been erected and neatly ornamented specially for us to take tea in. For such a short visit it appears incredible that they should have expended so much money. The crowd was so great it was with difficulty that the soldiers were able to keep the way clear for us and the locomotive had to go slowly in leaving to avoid running over people. We got back to the hotel in the early evening. A gunboat was sent to take us from the railway to the shameen.

Sunday, the Tartar General's wife and Admiral Li's wife gave a special reception and tea to our ladies. This was unique, as such an affair had never been given before. The men were also invited to meet the officials, but there was no mixing of the men and women as it would have been too radical. However, we were very glad of even this break in old-time Chinese etiquette, in that the highest class ladies should meet the ladies of our party. Two of the Chinese ladies wore the Manchu head dress, which showed up conspicuously over the head dresses of the other Chinese ladies.

In the evening we attended church in the Medical College, a small room, but packed full of Europeans. After the service, we had dinner at Dr. Todd's home where we met some of the missionaries, amongst them, Miss Noyes, who had put in over forty-two years in educational work at the boarding school. In this compound there were two hundred and sixty girls, from seven to twenty years of age. They have graduates at work in almost every province in China. We also visited Dr. Noyes' school and Theological Seminary at Fati, across the river from Canton, where they have thirty-two men in various stages of educational advancement.

Many ministers and teachers have gone out from these institutions.

The next morning I visited the Canton Christian College, four miles down the river, on the Hunan Island side. They have a big tract of land, and with the buildings they have and those under way, they will be well equipped. The Chinese merchants are erecting two dormitories, and money is coming from America for houses for the teachers. The fees from tuition pay the expenses with the exception of the European teachers.

From the college, I joined the party at the Provincial Assembly building, which has just been completed. The members gave us a luncheon. This being the last public function we will attend in our official capacity, Mr. Booth said it was fitting that, as I had had the first word in the inception of this trip that I also should have the last. So he called on me to say a few words to the Assembly which were as follows:

First, I wish to thank my fellow Commissioners for giving me the privilege of saying the last word. Two years ago I took the liberty of saying the first word to the President of the Chamber of Commerce in Shanghai, which resulted in asking the Canton and other Chambers of Commerce to join in inviting us to visit you. That invitation stated the object of our visit: First, to create a better feeling of friendship between the two nations, and second, to increase trade and commerce between us. While I appreciate that I am addressing a legislative body, we are here strictly in accordance with the invitation, as commercial men and not politicians, and we wish to make this plain to you as we did to His Highness, the Prince Regent, and to all who have entertained us.

We feel sure that the first part of our invitation has been accomplished, as no party of purely business men has ever had such a reception in the history of the world, not merely from merchants and officials, but what we consider the most significant, has been the reception from all classes. This has convinced us that from the highest to the lowest our reception has been sincere, and from the heart.

As to the second part of the invitation—this will require time to develop, as trade and commerce grow slowly, but, on our return to America, we will endeavor to interest our merchants to visit China with a view to extending their trade. And we would especially ask your merchants to visit our country, with the object of extending their dealings with us.

In conclusion, we say to you that we will take home the most pleasant recollections of our visit, which will last as long as we live. We feel, that what you have done, has not been for us as individuals, nor even as representatives of the Pacific Coast, but as representatives of the United States of America, of which we are the humble representatives. We all unite in the confidence that peace, harmony and good-will shall ever remain between China and the United States of America.

HONG KONG

We returned to Hong Kong the following day, and were invited by the Chinese Young Men's Christian Association to a reception at its rooms, which would have been a very pleasant affair, had not the immigration question again been brought up by the President of the Merchants' Association. Mr. Booth replied that at Canton I had gone fully into that subject, and as my address had been published both in English and Chinese, he referred them to our statement as printed, as this represented fully the views of all the Commissioners. As far as we were concerned, this ended the discussion.

The President of the Young Men's Christian Association gave a fine account of the progress of the Association. There are over two hundred members, and their rooms are entirely too small as the membership is increasing daily. The day following our visit they received a cable from New York, stating that they would be given $75,000.00, if the Chinese would give $25,000.00 to make up $100,000.00. Immediately, acceptance was wired, and the directors present subscribed $13,000.00 on the spot, so Hong Kong will get a fine, new, modern Y. M. C. A. building. This being a

A SPECIAL BUILDING WAS ERECTED AT FATSHAN, NEAR CANTON, IN WHICH TO ENTERTAIN THE COMMISSIONERS

British colony, it seems remarkable that the money should come from America. Not only here, but in the various large cities of China, the money to make Y. M. C. A. work possible has come from America. (A fine new building has since been erected.)

The next evening we went to a banquet given by Chin Gee Kee, who is the head of the Sun Min Railroad on West River. He lived in America for forty years, and raised all the money to build the Sun Min Railroad in America, in his dealings with the Chinese there. No Europeans have had anything to do with it, either financing or operating. All our Commissioners were present at this banquet. Ng Poon Choo delivered one of his characteristic speeches that brought the house down with applause.

Now that the trip, or rather the visit, is over, we can sum up the results. First, as to creating a better feeling of friendship between the two nations. This has certainly been accomplished, as it would have been impossible for any body of men to have given us the reception we received all over China, unless they were extremely friendly to us as Americans and represented our country. And while our trip was commercial and not political, we could see a great deal of the latter injected into it by our hosts, at the different cities we visited, and the great international game that is being played in Peking, in which America for the first time seems to be taking an important part. It looks as if our visit at this critical time was opportune and of great benefit and advantage to our country politically, although it was not so intended. What we have accomplished cannot be told at present as it will take time to develop. We have learned, however, that our success in developing trade will depend to a great extent on our ability to interest our merchants at home in this trade, which can only be increased and developed by either the principals or their best men personally investigating. No other way will ever produce great results. We are all satisfied that by this method a great expansion of our commerce can be secured both in imports and exports. It appears as though our exports will

demand more effort, as European competition is very keen, but we have met nothing to discourage us and a great deal to encourage us toward accomplishing the desired end.

At the last meeting we had in Hong Kong, they put the question to the entire membership to express their opinion as to missions and missionaries in China. (In starting out it was the general opinion that missions and missionaries were a detriment to the commercial interests of America and China.) At this meeting I stated to them, that as they had seen the missions and missionaries and had learned a great deal of the commercial interests of China, I would like very much to have them express an opinion.

A motion was introduced and unanimously carried, that the missionaries were of great commercial importance to China; in fact, without them it would have been impossible to have obtained the reesults, commercially, that we have obtained.

Chapter Sixteen

COMMISSIONERS SEPARATE TO REUNITE LATER

Our party then broke up, some going to Europe via the Suez, while others went to Manila and Shanghai, where we were to meet later. Mrs. Dollar and I went directly to Shanghai where we visited for ten days, and were tendered dinners and luncheons daily, the most notable being at the residence of Choa Chu Kuan, at which were present not only the ladies of his family, but other ladies, which was contrary to custom but which we thoroughly enjoyed. Among the men present, were the President of Kiangsu Provincial Assembly, the Governor of Mukden, Manchuria, and other Chinese notables. We had met the President of the Assembly at Nanking, and although our conversation was carried on through an interpreter, we had an interesting discussion on constitutional government—the all important subject before them at the present time. They are all very anxious to learn from us all we know about the various branches of the legislature. To some extent they are in the dark as to exactly what they will ultimately do. They are working out the rules for both the Assembly and the Senate, but the exact relationship between them has not been determined.

But a much more important subject, on which there are various opinions, is the exact relationship between the Emperor and the Senate and the Grand Councilors. A great many holding high positions will have to step down and out, to make room for the constitutional government, as when it is in complete working order, the day of officialdom is over. That is, the official as he is at present and only understood by the Chinese themselves. And I am free to say I cannot understand why so many are employed and what many of them do to earn their money. In most cases,

the salaries they get are inadequate, and the balance that they require they have to make up on the outside. The feeling between officials and merchants is not very friendly, and I can see the breach has been widened very much of late.

I ENTERTAIN MERCHANTS OF SHANGHAI

Two days before leaving Shanghai I gave a banquet at the Palace Hotel to twenty-four of the principal merchants of Shanghai and other cities. One of the guests in a speech said there had never been such a party in China before. The Presidents of the following Chinese Chambers of Commerce were present: Shanghai, Canton, Hankow and Tientsin, the four largest commercial cities, and three others were represented by their Vice-Presidents. The distance between the cities farthest apart, that were represented, was two thousand miles, and they had never been united thus before. At this banquet they decided to form a Consolidated or United Chamber of Commerce, so that all of them could act through a central organization in Shanghai. So, if our visit has done no more than to accomplish this, we are well repaid. This is the first and most significant move towards a United China. I made a short address, to which H. E. Chou replied and which was interpreted by Mr. Chu Li Chi. He said, words failed him to tell me how much they appreciated my visit at this time, knowing that I had not long returned home. This visit necessitated Mrs. Dollar and myself coming to China twice in one year, traveling twenty-eight thousand miles to do it, and that I had consented to leave my business and home comforts at their written and cabled requests. He assured me of their high appreciation for what I had done to promote friendly relations between America and China. All of which they would not forget.

My address is below.

On behalf of the Commercial Commission, it gives me great pleasure to welcome here tonight such a representative body of merchants from so many different provinces—from Chili in the north to Kwang Tung in the south. It is a great satisfaction to me and it must be to you, to know of

A TYPICAL VILLAGE STREET SCENE IN NORTHERN SHANTUNG

the great success of our visit. I see, that in the Japanese papers, it is now admitted that our visit has greatly increased the friendship between the two nations. But what we will discuss at the meeting next Friday will be the final means to increase the trade between our countries. I wish to call your special attention to the reciprocal aspect of the case; for our trade relations to be lasting we must have free exchange of commodities. We must buy your products and you must buy ours. From a shipping or transportation point of view, it comes more forcibly home to us that, if we come to this country and load our ships with your freight and you do not buy sufficient from us and we have to bring our ships from America empty, then we must charge you almost double freight, so you will see that you are as much interested as ourselves in furnishing cargoes both ways. The following will help our commercial relations:

1. The loaning of American money to your government.
2. The formation of a bank as proposed.
3. The establishment of exhibits in both countries with a competent man in charge.
4. The establishment of your merchant marine in foreign trade.

All those things will help, but the most essential is for your merchants and ours to visit each other's country and get acquainted and study each other's wants, and in no way can this trade be developed as by the individual efforts and energy which is essential to the development of commercial relations.

Immigration. I did not intend to mention this subject, but as my friend, the President of the Canton Chamber of Commerce, His Excellency Chang Pat Sze, Assistant Minister of Commerce, has brought it up, I must reply. But I cannot say more than I said in my address, which was published in all the Chinese papers. I can assure you, however, that no *bona fide* merchant will have trouble in landing in America.

I ask you to drink a toast, which at this time I consider appropriate, as I am addressing gentlemen from all parts of China—*"A United China."*

On November 11th, as arranged, our party arrived from Manila. I called our meeting together and asked Mr. Moore to preside, with His Excellency Chang of Canton to act as joint Chairman with him. This was a fortunate stroke as Mr. Chang is a very distinguished man, comes from Kwang Tung Province in the extreme south, and is very popular with the Chinese; also on account of the immigration troubles. This made the meeting a success as it created enthusiasm. I outlined the various subjects that during the past week I had discussed from time to time at various meetings, at which His Excellency Shen Tun Ho was the moving spirit. He has been most energetic.

The subjects for discussion were:

1. Bank: one-half Chinese capital and one-half American.
2. Exhibits in China and America.
3. Exposition 1915.
4. Reciprocity.
5. Merchants of both countries to visit each other.
6. Building a steamer: one-half capital from each country.
7. Uniting the Chambers of Commerce of China.

The Shanghai Secretary, Chu Li Chi, read the report of the committee, composed of different Chambers, which is below. As to the first paragraph, half of the capital of three million taels was subscribed by the Chinese and our committee on banks agreed to submit a report to the bankers on our side. The second paragraph was approved, and will be submitted to our Associated Chambers of Commerce at the January meeting.

Questions to be brought up for discussion at the conference:

1. *Banking Corporation Scheme.* To start an American-Chinese Banking Corporation with a capital of say ten million Shanghai taels or Mexican dollars, one-half to be subscribed by Americans, and the balance by Chinese, and to be registered at Washington and Peking under American ordinances, with its head office in the most desirable port on the Pacific Coast. This said bank, besides doing its regular business in ordinary mercantile loans against delivery orders,

can also be the agency of the Chinese Government loans for the construction of railways, organization of industrial enterprises, and the development of resources. It may also extend its business in the nature of a loan and trust company if the circumstances warrant. As China at present needs capital for developing her resources, and the rate of interest is higher in the Orient than in the Occident, and also owing to our system of government and the uncertainty of their banking laws, the wealthy Chinese and high officials would rather entrust their deposits with the foreign registered bank than with one purely Chinese. In view of these points there are enormous possibilities of profit to start such a bank, with no possibility of loss in the hands of honest experts. The matter, however, will be more fully discussed at the meeting.

2. *Establishment of Exhibition Halls.* With a view to promoting trade between America and China, it is desirable that the American Chambers of Commerce provide halls (at such ports along the Pacific Coast convenient for import from China) for the exhibition of Chinese products, to be sent from time to time by the Chinese Chambers of Commerce if they think it expedient. The said halls, under the supervision and assistance of the American Chamber, to be managed by an English-speaking Chinese whose duty is to give information and answer any questions regarding the products. He is also to correspond and report about the business conditions and markets, from time to time, between America and China, so as to keep the Chambers of Commerce of the two nations in close touch and well advised. On the other hand, the Chinese Chambers of Commerce will also provide a similar hall, say at Shanghai, to be governed and managed exactly in the same manner, for the disposal of the goods sent by the American Chambers of Commerce.

3. *Appointment of Commercial Delegates and Canvassing Agencies.* For the furtherance of trade between America and China, it is advisable to mutually send commercial delegates as canvassing agencies for the two countries. The American delegate will stay in China with headquarters, say

at Shanghai, and the Chinese Chamber of Commerce will undertake to provide him an English-speaking assistant, an office and also letters of introduction. His business is to travel with samples of American products from port to port, for advertising and securing orders from industrial merchants. The Chinese delegate will stay in America with his headquarters at the most desirable port along the Pacific Coast, and he will do in the same way and be treated in like manner by the American Chambers of Commerce.

These are practical suggestions which can be carried out economically with great success. We hope that the American Commissioners will give them their favorable consideration and take prompt action.

Reciprocity was discussed, and it was made very plain to all that each country must buy from the other. To prosper, trade cannot be one sided. With the above object in view, merchants must visit each other's country and get acquainted so that trade may be increased.

The building of a freight steamer to fly the Chinese flag, for which one-half the capital should come from China and half from America, will be taken up by the Chambers of Commerce with the Minister of Commerce, to see what the laws are, and with the Minister of Communication to see if the grand *"chop"* would be rebated.

Mr. K. P. Chew, on behalf of the Exposition, spoke as follows:

When the Commissioners were in Nanking last month, this subject was roughly discussed and met with general approval among the merchants as well as the representatives of the Exhibitors' Association. Later on, the subject was again brought before the public by His Excellency Sheng Tang Ho. His articles in the local press at Shanghai and other ports have not only drawn the people's attention, but created interest throughout the Empire. It is now universally recognized that an institution of this kind properly managed would go a long way to promote the commercial relations of the two countries.

The visit of the members of the Associated Chambers of Commerce of the Pacific Coast to China is an epoch-making event in the history of commerce. Through their visits to our cities, they have gathered whatever facts that are necessary for their purposes. On the other hand, our merchants have, through their personal contact, acquired also valuable information from them. It is a mutual proposition, but it lacks a permanent character. The International Commercial Museum would maintain not only what has been accomplished, but it would gather further information about the market and serve as a medium to promote commerce.

The scope of the institution must be broad. Several museums must be established in China and in the Pacific ports. In the museums there should be a complete exhibition of product, system of manufacture, method of transportation, etc. There should be a Bureau of Information where general information and specific information can be obtained by the merchants, as well as by the interested parties. There should be in each country, and in the respective languages, a newspaper as the origin for the development of American Chinese commerce.

The organization for administration of the museums should also be international. There should be a central board, whose members should be composed half of representatives of American Chambers of Commerce, and half of Chinese. By such organization, uniformity may be obtained.

Luncheon was served in the same room in which we were having our meeting, but we were so busy with speeches and business we did not have time to finish and had to hurry, arriving on board the ship that was lying at Woosung ready to receive us, at the exact time she was scheduled to sail. The Chinese came in a body to wish us *bon voyage*. Every one, Chinese and American, was delighted with the great success of our visit from which we hope for great results.

GENERAL REPORT OF COMMITTEE ON TRADE AND COMMERCE

We find that the imports into China for 1908 were $248,538,000; for 1909, $263,666,000; an increase of six per cent, or $15,128,000. Of these amounts, imports from

America were, for 1908, $25,984,000; for 1909, $20,541,000; a decrease of twenty-one per cent, or $5,443,000. Exports to America for 1908 were $15,009,000; for 1909, $20,440,000; an increase of thirty-six per cent, or $5,431,000. In other words, our sales to China have decreased twenty-one per cent, but our purchases from China have increased thirty-six per cent.

Our sales to China in 1905 were forty-eight and a half million dollars, while last year they were only twenty and a half million dollars, a decrease of about one hundred and forty per cent; which illustrates the old saying, "that trade follows the flag," as American ships last year only carried nine-tenths of one per cent of the commerce of China.

These figures bring out very forcibly the fact that we are buying more from China than they buy from us; and, while their trade is increasing with other nations, their purchases from us are rapidly decreasing. The question which has occupied the minds of the Commission is how this state of affairs can be changed. The conclusion we have come to is: For our merchants and manufacturers to send their best men to China to work up trade, or better still, for the principals of the firms to go and make a personal investigation first, taking plenty of time, to thoroughly understand the conditions, then, if they decide that a profitable trade can be carried on, send the best men they have to work it up. We cannot too strongly recommend this, as the possibilities are unlimited.

Please keep in mind that in going to China you are going to over one-quarter of the inhabitants of the world, and as they are just changing from the old to the new way of doing things, now is the opportune time. Other nations appreciate this far more than we do. For instance: France, Germany and Japan each subsidize a line of steamers flying their flags to engage in the coastwise trade between the Chinese cities of Shanghai and Hankow, not to speak of the subsidies they all pay for a direct mail service from their countries to China. That is how much they value the trade of China. The United States takes no interest in this trade,

as to get a letter to or from China it has to pass through three Japanese ports; and the deplorable fact is, that, in the early days of the navigation of the Yangtsze River, Americans had all the trade, as all the steamers on the river were under the American flag; now there is not an American-owned steamer on the river.

To some of you the name of this river and our former prestige on it may not appear important, but when we say to you that one-sixth of the human race lives on this river and its tributaries, we hope you will see its importance as we have by personal examination. As to whether the trade is of sufficient importance to go after, we would call to your attention that no country in the past ten years has progressed as China has, and it is difficult to keep informed of the rapid changes that are taking place. Fifteen years ago they had ten miles of railroad, now they have six thousand miles; in 1908, the postoffice handled twenty-two and a half million pieces of mail, while in 1914 it handled five hundred and forty-nine million pieces; China has adopted a constitutional form of government, our style of education, and reforms too numerous to specify here. The postoffice and the railroads are about the best barometers of trade, so the above figures are significant. Another example of the rapid development: Three years ago soyo beans had never been exported to Europe; this year they expect to export one and a quarter million tons, valued at thirty-seven millions of dollars. Sessimum seed was unknown five years ago; this year Hankow will export over two hundred thousand tons of this valuable grain, bringing into the country over twelve million dollars. None of these products went to the United States.

From our observations on this trip, we cannot overlook the important part missions have played in the development of trade in China. Unless they had pioneered and opened the way, the foreign trade would be a very negligible quantity. In this connection the thousands of Chinese young men who received their education in mission schools—many of them that we met occupying high places in Government and commercial positions—bear testimony to the great amount of trade and commerce.

In view of the foregoing we make the following recommendations:

First—It will only be by the individual, personal efforts of our merchants that we will get our fair share of the commerce of the Pacific.

Second—We respectfully demand of our Government a change in our navigation laws and inspection regulations, so as to permit us to use American ships in the development of this great trade, as, without ships, our commercial development is hopeless. If the Government will not assist, then the least it can do is not to hinder nor prevent us from getting our fair share of the trade, but, encourage rather than discourage us.

Third—Further, we would endorse and recommend our Government's policy of the Open Door and the integrity of China, as essential to our best interests and the development of our commercial relations.

Chapter Seventeen

LEAVE FOR THE ORIENT AS SPECIAL DELEGATE OF P. P. I. E.

The first part of the year 1911 we spent at home, having a great deal to look after in our growing business. For some time back, I had been a director of the San Francisco Theological Seminary, at San Anselmo, Cal., and also President of the Port Society. In June, the meeting of the International Sunday School Union was held in San Francisco, and I was selected Grand Marshal of twenty thousand Sunday School workers that paraded here, each man carrying a Bible in his hand.

On October 4, 1911, we sailed for the Orient on the steamer "Siberia," for I was a special delegate of the Associated Chambers of Commerce of the Pacific Coast and the Panama-Pacific International Exposition.

On arrival at Tokio, I presented to the Government officials the importance of their taking a prominent part in the exposition which we intended having two years hence. I was fortunate enough in being able to persuade them to participate.

I first convinced Baron Sakatama, who traveled with me on the voyage over, of the advisability of taking part; and then his father-in-law, Baron Shibusawa, Minister of Foreign Affairs. The President of the Chambers of Commerce of Japan also gave me valuable assistance.

REBELLION IS FORERUNNER OF THE CHINESE REPUBLIC

On arrival at Shanghai we found the Chinese rebellion was two weeks old and had gained large proportions, especially in Hupeh and Hunan Provinces. The center of the disturbance was at Wuchang, across the river from Hankow and Han Yang. The first move made was the cap-

ture of the city, the deposing of all officials, the beheading of all who had not escaped, and the establishment of a government of their own.

All the soldiers and many of the officers joined the revolutionists, so they started out with a nucleus estimated to be from three to five thousand well trained officers and men. Evidently, they had carefully prepared their plans, as the first move after capturing the capitol of the Province, Wuchang, was to cross the Yangtsze River during the night and surprise and capture the Han Yang Iron & Steel Works and the Government Arsenal, which was only separated from the works by a wooden fence, as, up to a short time previous, they were both owned by the Government.

This latter move was most important because the arsenal was well stored with arms, including a large number of machine guns; in fact, everything that an army required, including materials for making explosives and shells. This arsenal has been kept running to its utmost capacity ever since.

There is a hill behind the arsenal which commands the surrounding country, including Hankow, Han Yang and Wuchang. Here, they mounted the heaviest guns they had captured, thereby commanding the entire district within range, which I think was about four or five miles. With this as a base, they drove the Imperial troops, after several engagements, down the river bank and across Seven Mile Creek, which is seven miles from the native city of Hankow. In taking the native walled city, they left the foreign concessions intact, as they had notified the various powers that they would not molest or interfere with any foreigners. All the buildings outside the walled city and up to the concessions were burned and destroyed; also the terminus of the railroad, and for fifty miles the railroad was captured and the track blown up at the tunnel. The Government had to send troops, principally from Peking, eight hundred miles away, which took some time. Meanwhile, the revolutionists were not idle, as they were gathering men from all parts, practically the whole of Central China being with them. It is a fact that I have not met a single Chinese yet who

does not claim to be a rebel. Officials of the Government do not proclaim it abroad, but they will take you in an inner room, if you have their confidence, and in a low tone of voice tell you they hope the rebels will win. I am surprised at not finding a single person on the Government's side—that is, amongst those outside of the military. When the Government reinforcements arrived the fighting began in earnest. Being ably officered and well disciplined, the Government troops gradually drove the rebels back toward Hankow. Eye witnesses told me that the bravery of the troops on both sides could not have been surpassed, but the rebels lacked a sufficient number of experienced officers, and in many cases, on the field, men in the ranks had to tell others what to do. The carnage on both sides was fearful, and the Red Cross hospitals were soon filled to overflowing, but there were not enough doctors or nurses to care for the wounded. No time was given to bury the dead, and as the same ground was fought over twice, sanitary conditions were fearful. Each side was entrenched so the dead were mostly in the vicinity of the trenches, although it was said there were bodies scattered everywhere on the fields from Hankow to Seven Mile Creek.

At the present time both armies are on the banks of the Han River, which is about a quarter of a mile wide. Latest reports state that the walled city has been destroyed by fire in order to compel the rebels to cross the river. In the meantime the Government artillery had turned their guns on Wuchang, and Admiral Sah's fleet had come up the river within range and shelled the city. From last accounts the place was in a fair way to be totally destroyed.

On the way down the river, Kiukiang, Wuhu and Nanking were all taken by the rebels and the guns of their forts turned toward the river. They have sunk several torpedo boats and captured several steamers with ammunition and coal, so it is quite possible that the fleet may run out of coal and ammunition.

This morning the Woosung fort went over to the rebels. This fort is probably the largest and best in China, as it completely commands the Yangtsze and Whangpo Rivers,

and has entire control of the traffic going up the river, as well as to Shanghai. At the same time the Kiangnan Arsenal and Dock Yard, at Shanghai, were taken possession of, together with the old city.

The casualities reported are only a few killed and fifty wounded. The Shanghai-Nanking Railroad station is outside the settlement, in China proper. Very unwisely, the foreign consuls sent some foreign volunteer soldiers to guard it, thereby breaking the neutrality laws by taking sides with the Government against the rebels. Had this unwise and indiscreet act been persisted in, the rebels would have started a fight against the foreigners, but on the arrival of a company of rebel soldiers the Europeans withdrew to within the setttlement where they belonged. In this rebellion there is no danger whatever of any trouble arising between the Chinese and foreigners unless it is brought on by indiscreet acts such as this. This is a time above all others when tactful and level-headed men are required to direct affairs, and it looks to me that if the foreigners are drawn into it, it will be through their own fault.

Orders were given for all to display the white flag of the rebels, and this noon the city's streets were one mass of white flags. In the forenoon, from two hundred and fifty to three hundred United States soldiers landed and marched through the principal streets of the city. They were certainly a fine looking lot of fellows; their marching and drill seemed to be perfect, and they created a very favorable impression. It was evidently done at the request of the Chief of Police, as he preceeded them, to show the Chinese that there was a force of armed foreigners at hand.

The financial situation is bad, as all native banks are closed to prevent a run. The foreign banks are going to help them, and all will stand together as our Clearing Houses did three years ago. In the meantime, in order to carry on their business they are opening accounts in the foreign banks, in which they have perfect confidence. That business is affected goes without saying, and as this city commands the Yangtsze Valley and all the hostilities are on its banks,

the rebellion has paralyzed a great deal of the trade. Every one is hopeful that when the trouble is settled China will enter on an era of prosperity.

In Szechuen, where the rebellion started, we do not hear much, but in Canton, Kwangtung Province, they foolishly declared a republic of their own but that is now held up.

While we consider a republican form of government the best, I am convinced that this empire is not ready to become a republic yet. In fact, it will take many years of education before it will be safe to put the ballot in the hands of the people; so I think the only safe way would be to establish a limited monarchy and retain the present Emperor and Prince Regent as nominal heads. This, I think would work out with the Provincial Assembly in each province, and the Senate or National Assembly in Peking, making the ministers responsible to the National Assembly and the people.

All this to an American may not look like much of a change, but it means the complete upsetting of Chinese customs that have been in vogue for thousands of years, and ousting the officials who have been fattening on the spoils gained from oppressing the poor people in this country. Californians can better understand this by comparing it to our State Legislature. What a change and revolution it would be if the spoils system and perquisites were all abolished. It would put our politicians out of business and an entirely different class of men would be in the legislative halls. But, in this country, it is much more far reaching, as the practice has been going on for centuries, and the men who will now take command will be young men educated in and accustomed to the ways of foreign nations, with an entirely different idea of government than that held by the incompetent and antiquated Manchus, who have been running the government in the old style, on the "squeeze" system. The whole system is wrong, and to correct it they must start the reforms at the bottom and work upward. I was very pleased to learn that one of the progressive men, Alfred Tzee, had been appointed Ambassador to the United States. I know him personally, and his ideas are progressive.

DOING THE PHILIPPINES AS A GUEST OF THE GOVERNMENT

Finding our business cut off by the revolution, I immediately proceeded to the Philippines to see if business could not be drummed up there. Arriving in Manila I found an air of prosperity all over the city, and every one stated that business was good and the bankers reported collections easy. This is the only city in the Orient today that can make such favorable reports. I have inquired particularly if it was only a spurt and if it would last, but every one thinks that it is permanent, and, while I do not think so much prosperity will continue, it looks to me as if the Philippines are on the road to permanent and steady improvement.

The city has improved in many ways, notably in buildings and streets, and great improvements have been made in the port charges. Now, a ship has no port charges unless she lays at the wharf, and then only one-half a cent, gold, on American net registered ton, per day. Pilotage is only necessary when a captain does not know his berth, and not compulsory, and pilots are not required at all when leaving port.

Governor Forbes directed the Commissioner of the Bureau of Navigation to take one of the Coast Guard steamers and accompany me to any part of the Islands I wished to visit. We left Manila on the Coast Guard cutter "Luzon," and went first to Calipan, on the Island of Mindoro. There is a stone and cement pier with twenty feet of water at low tide. It is a very pretty place, and attractive on account of its tropical vegetation. The Government building and the Governor's residence are commodious and comfortable, and well located on a hill. There are not more than five hundred inhabitants—probably less than on any of the larger islands. The island is about one hundred miles long by forty miles in width. On the southern end of the island is a large sugar plantation, which is managed from San Francisco.

From Calipan, we went northeast to Binahain, Province of Ambos Camarines, on Ragay Bay. We also landed at

Camico Cove, a few miles away, where they were logging with carabaos, hauling out small blocks of molave (a wood that is almost as hard as ebony) for keel blocks, for shipment to the Government drydock, in Hong Kong. The hewing was rough and poorly gotten out. They were rehewing the blocks before shipping.

The village was *en fete,* as a priest was coming that afternoon, and at night they were to have a dance and fiesta; in the meantime all work was suspended. At both these places there is plenty of water for a steamer of any draft, within three hundred feet of the shore. For miles a nice, gravelly beach extended both ways. We sailed from Camico for the coal mine at Batan and to see the lumbering at Rapurapu, both islands being close together off the southeast cornor of Luzon. On the way, we passed through the Straits of San Bernardino, which separate Luzon from the Island of Samar.

I took a steam launch from Batan to Rapurapu Island, four miles distant. There was considerable surf on and it was impossible to approach close to the shore, but as I was determined to see what was being done, I had the launch go in as close as possible and I waded to the shore. It was raining in torrents at the time, and I could not get any wetter with salt water than I was with the rain. The lumbering here is done in such a primitive way I cannot see how it can be of any commercial value. (The timber was not good and was poorly gotten out, so I came to the conclusion that failure was indelibly stamped on the face of the enterprise, which I later found to be the case.)

We went aboard the "Luzon" again and proceeded down the west coast of the Island of Samar. The Straits of San Juanica separate Samar from Leyte, and they possess even more beautiful scenery than the Inland Sea. The channel is crooked and narrow, in some places being only two hundred feet wide. The nipa huts of the natives, surrounded by banana, hemp and cocoanut trees, lined the shores all the way. The country is of volcanic origin and the sharp peaks of the hills showed up picturesquely.

We landed at Taclobon, the capitol of Leyte, and looked over the town. The principal industry is the preparing of hemp for the market. They ship it from here to Cebu, to be forwarded to various parts of the world. I found that the Chinese were the merchants and the solid men of the town, and that they had some very good, modern, hydraulic presses which baled the hemp well and quickly. A Chinese boss is over the Filipino laborers, who do all the work. The Americans have made excellent roads running many miles into the island, and we noticed several automobiles for hire—quite a sight in this out of the way place. The telegraph system is very good, every place of any importance having a telegraph office, postoffice and school.

We went from here to Cebu, returning by San Juanica Straits and passing around the north end of the Island of Leyte, thence through the Biliran Straits, where at one place it was not wider than one hundred and fifty feet, with a strong tide running through. One notices very large churches in every village, in marked contrast to the small huts of the natives.

CEBU

The town of Cebu is on the Island of Cebu. The Island of Macton lies about a mile off, making a straight channel up to the city of Cebu. The Island of Cebu is about one hundred and fifty miles long by an average width of thirty miles. A railroad runs twenty miles north, and forty miles south of the city. Cebu presents a fine appearance from a ship's deck, that is from a commercial viewpoint. There is a fine concrete sea wall, about two thousand feet long, with eight hundred feet yet to build. The upper end, at low water, has eighteen feet of water, the center twenty-four feet and the north end will have thirty feet when it is completed. The Custom House is a large three-story building, sufficient for a city of half a million inhabitants. There are several very large warehouses of the most substantial construction, all of concrete and built on made land, with a dock space of two hundred feet. A fifty-ton crane has been installed, and railroad tracks extend along the fronts of the docks, so that

This Is The First Cargo Of Pig Iron Ever Shipped From China To The United States
THE STEAMSHIP "BESSIE DOLLAR" LOADING PIG IRON AT THE HAN YANG IRON AND STEEL WORKS—MAY 27, 1910

vessels can get good dispatch and at a minimum cost. It is one of the most complete little ports I have ever seen. It is also practically a free port, as it only costs nine pesos to enter and clear, and there are no tonnage dues or wharfage charges. A pilot can be picked up seven miles out when a steamer is coming from the north, but it is not compulsory to take a pilot, as the channel is excellently marked by buoys, beacons and lights; in fact, I cannot recall any other port so well arranged.

The exports, in their order, are hemp, copra and sugar. Many small steamers and small schooners make this their home port and gather the products from adjacent islands for export from this port, and, as it is quite central, it should grow to be a large port. There seems, however, to be some difficulty in getting the farmers to increase their production, and it may take some time to get them out of the old rut of producing only what is actually required for present necessity. A small piece of cotton cloth is sufficient to clothe the family, and it takes but little to supply their wants.

If the Chinese were allowed to come into the country in limited numbers, it would revolutionize it in a short time and make the islands a Paradise.

Cebu, like all old Spanish towns, has narrow, crooked streets, a big plaza and an old fort. There are about sixty thousand inhabitants. The Americans have macadamized many of the streets and built several good roads through the island. We went over one of these roads in an automobile for a distance of ten miles and found it to be level and smooth. In that distance we passed a succession of villages, which made it appear as if they were a continuation of the town of Cebu. This island has more population than any of the group for its size, there being five hundred to the square mile, with a total of eight hundred and fifty thousand.

We visited a native sugar mill operated with a carabao. The entire machinery consists of two upright rollers, about twenty-four inches in diameter and three feet long, between which the cane was passed, the juice falling into a wooden trough that had been hollowed out of a tree. This was

carried in buckets to a large kettle to be boiled, and later put into a trough shaped like a canoe, where it was worked with a shovel until it was broken up, when it was put into bamboo mats and sent to the seaports for export. With this primitive method of extracting the juice, from thirty to forty per cent of it is left in the cane.

In preparing copra, the cocoanuts are quartered and the shell removed. If for sun-drying, it is broken into small pieces and spread on the ground on mats, and is frequently turned over until dry, then put in gunny sacks. If it is to be dried by a fire, bamboo poles are spread out three feet from the ground, on which the copra is spread, then a fire of cocoanut husks is built under the poles and kept going until the copra is dry, or rather smoked, for it is really more smoked than dried, and is blackened, while that dried in the sun is fairly white. It could all be dried in ordinary cheap fruit dryers and come out perfectly white, and, as there is plenty of fuel in the husks, the expense would be small.

In a park at Cebu near the water front is a monument erected to the memory of Magellan and the priest who said the first mass at this place four hundred years ago. Magellan was invited to a conference with the chiefs on the small Island of Macton, opposite the city of Cebu, where he was murdered by the natives. The monument marks the spot where the deed occurred and can be seen from the deck of a vessel a few miles out at sea.

Mr. Alfonso Zarate Sy Cip, manager of a Chinese firm Joaquin Castro & Company), gave a banquet in our honor, at which twenty were present. There were only two Chinese, the others being the leading merchants of the city. The manager of Stevenson & Company gave us an automobile trip ten miles out of the city, and the Collector of the Port, Mr. Bennet, entertained us at luncheon, so we were well taken care of.

The city seemed to be kept fairly clean, except in the business section, where the offices are above the warehouses.

NEGROS

We arrived at the mouth of the Danao River, Island of Negros, and found it very shallow even two miles from

shore. After getting into the river in our launch, we had plenty of water, although we grounded several times while coming from the steamer. The river is about two hundred feet wide, and the lumber from the Insular Lumber Company's plant is brought down in barges, which carry two hundred to two hundred and fifty thousand feet. At present these barges are towed to Manila by ocean-going tugs. They had been using the old Erie Canal barges, but these were scattered along the river, some keel up and others high and dry. The transportation end of the business did not look prosperous. In trans-shipping at the mouth of the river there is no shelter; but four miles east is the small island of Suyac which has a sheltered anchorage on its southeast side, with five fathoms of water, where loading could be carried on at any time.

The Insular Lumber Company has two mills, one on each side of the river. The larger mill has two fourteen-inch band mills with all improvements and is a complete, up-to-date mill. As there are no planers at the mill, all the lumber is shipped in the rough. Most large logs are very defective in the heart, and they told me a block in the center of most of them had to be burned. They were sawing red and white lauan, the former being called "Philippine mahogany" when shipped to America.

ILOILO

We spent one day and two nights at Iloilo, which is a port on the river, protected at its mouth by two breakwaters. There is good anchorage off the mouth, but during the southeast monsoons it gets rough and necessitates the stoppage of loading. The warehouses are on the bank of the river, and, to give quick dispatch, sugar is loaded from the wharf on one side and from the lighters on the other side. As much as fourteen hundred tons has gone aboard a vessel in one day, but the average is about six to eight hundred tons. On the lower reach, where three steamers can lie at one time, there are twenty-four feet of water at mean low tide. There are fourteen hundred feet of first-class concrete seawall, and there are yet to be completed sixteen hundred

feet more. The Government builds six hundred feet a year and keeps the channel dredged. Many modern warehouses are under construction by progressive English firms.

The streets are distinctly Spanish—narrow, crooked and muddy—and reflect little credit on the city fathers. The only roads worthy of the name are those built by Americans, which extend for several miles in each direction outside the city. We went over these roads in an automobile, and they are as good and as well kept as those of any country. The old Spanish roads can only be described as miserable mud trails, and there are not many of them.

There were a number of small, trim fore and aft schooners in this harbor and vicinity, which goes to show that this is a trading center for the adjoining islands. This being a sugar port, it was booming, and every one was prosperous and correspondingly happy.

We left Iloilo by rail for Capiz, on the opposite side of the Island of Panay, a run of about four and one-half hours. The railroad is well built and appears to be well managed, and the company is doing what it can to induce people to cultivate the soil so it can get more tonnage to carry. They are going to a great deal of expense in demonstrating how the soil can be better cultivated and in showing what crops will bring the most money. There were some very creditable exhibits at various stations along the line. A man in charge of an exhibit told me it was uphill work and very discouraging. In the interior, cultivation is an exception, although the land is suitable for either rice or sugar, for it is difficult to get the natives to work the land. Capiz is a quiet, provincial capital, with municipal and provincial buildings; the latter are of reinforced concrete and are nearly completed. Again I have to remark that what the Government has done, it has done well and substantially, in roads, bridges or buildings.

We visited the Industrial School, which occupies an old court house and offices. They are commodious and appeared to be well adapted for the purpose. Girls are taught cooking, needlework, drawing, painting, etc., while the boys are receiving a mechanical training. We watched them at work

in the garden, and noticed that the student carefully avoided all manual labor or anything that resembled it, the servants doing the work and carrying the water for irrigating. It looked to me as though they were not being taught that all work is honorable, and that the great essential in this world is to learn how to work. Most of the merchants in town were either half or full Chinese, and the best work on the Government building was being done by Chinese. The contractor told me it was impossible to get the Filipinos to do it.

We visited the Baptist Mission, where we had dinner, and also visited the orphanage where they have sixty children from three to twelve years old. The large building is suitable for a school, and the children, as well as the surroundings, were neat and clean and reflected credit on the management. The children were having dinner while we were there, and they had plenty of good food and seemed happy and contented. Altogether, we were very favorably impressed. They told us that the Protestant church is increasing on the Islands, and that their church was full at every service. We visited the Roman Catholic church, a very large building, and were told that it was crowded at every service, so these people are evidently good church-goers.

We visited the home of a wealthy sugar grower, for the purpose of seeing how he lived. Like all Filipino houses, it was very large and unoccupied on the ground floor, the next floor having the living rooms and bedrooms. All the rooms were much larger than those of the average American house, I should say about twice the size.

The harbor of Capiz is three and one-half miles from the city, with a narrow, crooked channel and only fifteen feet of water, so it is of no importance.

In conclusion, I would say that the Island of Panay is very rich and a good place for agriculture, but labor is required to develop it as there is too much land not in use.

MINDORO

We next visited the Island of Mindoro, where we went to see one of the largest sugar mills at Mangaren. It is a small town that employs about fourteen hundred men. At

present there are five hundred acres planted. They are expending large sums of money and have one of the best mills, fifty thousand acres of land of the best soil, a fine location and great possibilities. The wharf is too small for tramp steamers, but it is proposed to extend it some three hundred feet. The harbor is perfectly protected and easily approached, as there is plenty of room and water, although there are some shoals marked on the chart. Soundings should be taken.

From here we sailed for Manila after a most enjoyable trip, during which I accomplished all I set out to do. Had we gone by a regular line steamer it would have taken from two to three months to have visited the places we did in eleven days. We covered about seventeen hundred miles. The result of this trip was the establishment by the Dollar Company of a permanent office in Manila, and of our steamers making the Islands a regular port of call.

MANILA

On our return to Manila we saw one of the much talked of *fiestas,* which was being held to commemorate the three hundredth anniversary of the founding of the College of Santo Lomo. There were many fine floats and banners, men without number in all kinds of uniform, but not one American flag was visible. The procession was preceded by the American constabulary and even they did not show their colors. To an American it certainly seemed strange.

In looking over the loading and discharging of coastwise vessels at Manila, I find there is no improvement in the way of quicker work than there was ten years ago. Winches, as a rule, are not used, unless it is to lower or lift cargo out of the hold, to be landed on deck, whence it is invariably carried to or from the ship on a single plank in about the most happy-go-lucky manner one could imagine. The Government has taken the regulation of rates into its hands. As the Interstate Commerce Commission at home has cut some of the rates in two, it will compel shipowners to force better dispatch.

The lumber rate from Zamboango to Manila will serve to illustrate. The rate is fixed at $8.00 gold per thousand

feet, for lumber, the distance being five hundred and eight miles. A mill owner boasted to me that he actually gave a steamer sixty thousand feet a day loading. This was a record. A steamer carrying eight hundred thousand feet has been away at Zamboango, from Manila, five weeks, so that the small, petty way of loading and discharging makes business impossible. We will have an opportunity of finding out how they can handle copra, as we have five thousand measurement tons to go on board.

The Government very kindly put a steam launch at my disposal to go from Manila to Batan, twenty-five miles across the bay, to visit a lumbering establishment. The mill is new and there is some construction going on. The entire output is sent to Manila. The buildings presented a neat appearance and their employes are well housed. The plant appeared to be in a healthy and ship-shape condition. One thing that struck me very forcibly was the number of men employed in many places in the mill. I saw as many as three men doing the work that one American does at home.

I have built many logging roads, but I never saw one as difficult as the one owned by this lumber company. I was one of the organizers of the Mount Tamalpais Railroad and we thought it a great undertaking, but this road is even more difficult. The camp is nine hundred feet above the ocean and only four miles away. The company certainly deserves the praise and commendation of the Government for opening up and developing such difficult logging operations in a timber country, that to an ordinary lumberman would seem to be impossible. Going beyond the cutting, into the forest, the timber was better and the country more advantageous for lumbering. I was especially interested in the actual logging operation in such a rough, broken place, as in all lumbering this is where the money is made or lost. The equipment was of the very best and most up-to-date, all of it coming from the Pacific Coast. The method of handling the logs was the same as in the States of Washington or Oregon, except that changes had to be made to suit the conditions of this country. With us one donkey

engine takes the logs from the stump to the railroad; here they use more relaying.

For instance, one donkey was bringing the logs from the stump to the edge of a big ravine; then another brought them across the ravine by an overhead wire and trolley; then a third donkey loaded them on the cars, and still another hauled them from the stump to the track. From the foregoing you will see that logging is not a cheap proposition. The railroad was laid with forty-pound rails, and the track and bridges were well built and substantial. I inquired about the title to the right of way, and was told they had no title and that any one could homestead a claim across their track, fence it off and shut their wind off. It is enterprises of this sort that will ultimately be the backbone of these islands.

In this connection, I heard the Speaker of the Filipino Assembly say that he was opposed to the Government selling large tracts of lands, and wanted them kept for the Filipinos. From what I have seen of them, it will be in the dim and distant future before they will be in a position to start an enterprise like the one I have tried to describe.

A TALK TO THE QUILL CLUB, MANILA

At a meeting of the Quill Club in Manila, I made the following address on the evening of December 22, 1911:

I have been requested to talk to you on shipping, and Manila as a distributing center.

Before commencing, I wish to compliment the Club on the beautiful table decorations, and also to congratulate you on the absence of wine.

In order for you to make Manila the distributing port for the Far East you must be able to compete with Hong Kong and Shanghai, the present distributing centers. You must make it easy and cheap for ships to enter your port and discharge and load cargoes. You must cheapen the cost from ship to shore; the delays to ships must be avoided by providing better facilities for handling cargoes. When this is done, you will be able to demand of the shipowners the same rate given your more favored neighbors.

As you are probably aware, shipping men have a differential against Manila. This you can eliminate by providing plenty of lighters to give the ship quick dispatch, or if the ship comes to your wharves you must provide facilities for getting rid of the cargo, so that she will not be delayed. There is no way that cargo can be handled as quickly as by lighters, and when a ship comes to the wharf, an ordinary cargo steamer has to pay about thirty dollars a day for the privilege.

When the Government builds other wharves, I would suggest that the Merchants' Association request it to build them much wider and to provide each of them with a railroad track on the outside of each shed. The sheds are now so close to the steamer that a large vessel has difficulty in lowering cargo between the ship and the shed.

Furthermore, when heavy cargo is to be loaded or discharged, it has to be carried from the railroad in the center of the wharf to the outside. By having a sunken track on the side of the wharf, all heavy merchandise and machinery, especially bulk cargoes, could be loaded directly on cars and stored in the warehouses which are proposed to be built on the fill. This will decrease the cost of handling commodities such as iron, cement, flour, machinery and all heavy bulk cargoes, and will effect a saving to your merchants.

Coming more particularly to shipping, it is a shame to our Government that there is not a direct steamship line between San Francisco and Manila. I consider it nothing short of a national disgrace that passengers, and especially mails, have to be peddled through various Japanese and Chinese ports before they ultimately reach Manila in twice the time that should have been occupied.

A steamship line running direct should be paid full and liberal compensation for services rendered in carrying the mail. I am opposed to subsidies, as I do not consider them necessary when the service can be rendered without costing the Government anything, as was proposed some years ago, by turning the transport business over to a company who would agree to run a line of steamers twice a month from San Francisco to Manila on a time schedule, not to exceed

sixteen days on the voyage. It was proposed that the Government give this line the carrying of all Government freight, troops and passengers at a price less than what it costs now. By doing this, the steamers would be able to carry out this service without any special compensation. The transports now in use could either be laid up or engaged in other service, as they are too slow to maintain a reasonably fast service across the Pacific.

When I looked into the prices shipowners in the coastwise trade charged you merchants I considered it outrageous, but when I came to investigate the unreasonably slow dispatch that steamers were getting I came to the conclusion that they were not charging you quite enough. In all seriousness, I say that this condition of affairs is a great handicap to the commerce of these islands, and should be remedied at once by you merchants giving the vessels cargoes as quickly as they can handle them, and take incoming cargoes away from the ships as quickly as they can be discharged; also, you in turn should force the shipowners to handle cargo as expeditiously as is done in other countries.

I would also say in this connection that the aids to navigation, in the way of lighthouses, buoys and beacons, are much better than we have on the west coast of America, and reflect great credit upon the Government of the Islands. I would also call your attention to the great work the Government has done in the way of providing such a fine harbor and docks here, and the fine harbor it has made at Cebu, where a Custom House has been built that is worthy of a city of a quarter of a million inhabitants. In Iloilo a good deal of work has been done and a great deal is under way, so that in the near future those two ports will be a credit to the Philippines.

What the Islands want. There is dense ignorance in the United States of the condition of affairs on the Islands, and a process of education is absolutely necessary to dispel the prevailing lack of knowledge. In this connection I would say that you have taken a step in the right direction by sending Mr. Stewart as your commissioner to accomplish this result. It is a common fallacy that these islands receive

a large sum from the United States Treasury Department to keep up the Government. I would remind Mr. Stewart to convince our people that this is not the case. Of all the states, and especially of all the cities that should be interested in your welfare, California and San Francisco, I am sorry to say, show a general lack of interest in your affairs.

On my return home I will do my utmost to change this indifference to active co-operation with you. We are especially interested there in Oriental trade; as a proof of this we sent a Commission from the Associated Chambers of Commerce to Japan, and they in turn sent a Commission to pay us a return visit. Last year the Government of China sent an invitation to merchants to visit them from our coast, and I now carry with me an invitation for the Chinese merchants to visit us next year. We have provided an itinerary for them which covers twelve thousand miles by rail in our country, and involves the visiting of sixty-three of our largest cities. I mention this to remind you that you have never sent us a public invitation to visit you, neither have the merchants of the Pacific Coast ever sent you an invitation to visit us. Therefore, the lack of interest seems to be mutual.

I would ask you, gentlemen, to think seriously of this matter and endeavor to create a closer friendship between us.

I now come to a matter which is of vital interest to us all; that is the 1915 Exposition in San Francisco. The directors of the Exposition appointed me a Special Commissioner to the Empires of Japan and China to endeavor to induce them to make large exhibits. I met with the authorities in Japan and had a favorable reception, and hope before I leave for home to accomplish good results. I then went to China, but as my mission was to the Government and, on account of the revolution, I failed to find the Government, I did not accomplish anything.

A significant fact in this connection is, that our people did not commission me to speak to you on this subject, knowing full well that your interest would be sufficient without any words of mine, and that the Philippine Islands

will make one of the best displays, if not the very best, of all the countries that will participate.

From the talks that I have had with your merchants, I am quite confident in saying that it is unnecessary to urge you to accomplish these results, and I will go back to the directors of the Exposition and report to them that everything will be done in the Philippine Islands necessary to have an exhibit, of which all will be proud.

I thank you for your kind attention and would say that I trust that you will take my remarks in the spirit they are given—in a sincere desire to see prosperity in the Islands.

In conclusion, I would say that no people could have done more to have made my stay more pleasant than you have. This applies equally to the Government, the Governor General and you merchants, and you can rest assured that on my arrival home I will do what I can to forward your interests.

We left Manila for Hong Kong, spending Christmas at sea, and arriving back in Shanghai on the 1st of January, 1912. So ended another active, successful and eventful year.

PEKING

Little could be done here in a business way on account of the revolution, so I visited our Ambassador in Peking and endeavored to get him to cable our Government to recognize the Republic, as at this time it was a foregone conclusion that the revolutionists would win, but he did not see it at that time. I took the matter up with President Taft, but nothing came of it, as we were working with the British Government and it would not consent. While at Nanking, I met and conferred with the new reform Government, and when in Peking I called on the old Manchu Government, and, strange to say, was on good terms with both parties.

At Nanking, the military was everywhere in evidence, and the city was well guarded. The troops were being constantly drilled, and companies of solders in heavy marching order were to be met on almost any road. At the yamen, where the officers and headquarters of the revolutionists were located, soldiers were on duty with fixed bayo-

nets, and it seemed most difficult to get in although I had no difficulty whatever. I was accompanied by the Minister of Foreign Affairs, but I noticed at two places he had to show his passport, and he passed me in. Inside, the offices were quite temporary affairs, fitted up with modern office furniture, roller-top desks, safes, carpets, etc. Like all Chinese buildings, the yamen was without chimneys and there was no way of heating it, but since the officials have adopted American clothes and they must have heat, stoves have been put in and the pipes shoved out the windows, giving to this venerable place an appearance entirely out of keeping with the highly ornamental Oriental surroundings!

When the President learned I was in the yamen he sent his secretary to bring me to his quarters, which is the only European style of building in the yamen. This place was formerly occupied by Lady Chang, and was where she received the ladies of our Commercial Commission two years ago.

The President, Sun Yet Sen, received me very cordially. I had a letter of introduction from Y. C. Tong, but he said he knew enough about me so that an introduction was superfluous. Our conversation was principally on the recognition of the Republic by the United States. He was extremely anxious that our country should take the lead as he was sure the others would follow. He was very anxious for recognition from the various nations, as in the official eyes of the nations the revolutionists are only rebels. I pointed out that it would be easier after the abdication, because it would force the hands of the other nations to recognize his Government. This he said he hoped would take place within two days' time; in fact, he had information it would take place the next day. He expressed satisfaction that American citizens were taking interest in the welfare of his country and that it would not be forgotten in the time to come. He was very pleased that Ambassador Calhoun had sent Dr. Tenny to investigate and report on the conditions of the new Republic.

I spoke of the proposed visit of Chinese merchants to our country and also about the 1915 Exposition in San

Francisco. He said China must have a very good and large exhibit, but in the troubled state of affairs no definite arrangements could be made at present, but he would keep it before him and would see that it was attended to when the Government was fully established and in proper working order. He wore an ordinary officer's khaki uniform without ornamentation of any kind. The man impressed me as one who realized he had a tremendous undertaking on his hands, so much so that the earnestness of his expression was tinged with sadness. He was a fine appearing man of medium height and looked to be about fifty years of age. His secretary and an officer stood within the door of the room while we were talking, and heard what was said.

With the exception of Wu Ting Fang and Chang Chien, I met all the members of the Cabinet, who are comparatively young men, say from thirty to forty years of age. Tang Shoi Yei is a very sober man, and like Sun Yet Sen does not talk much but is an attentive listener. Chang Chien, Minister of Commerce, I did not meet, although I had met him on several other visits. I have been trying to get him to head the merchants who are to visit our country, as he is probably the most progressive man in China. He was offered the office of Minister of Commerce by both Governments.

An arrangement was made to form a coalition government; the strong men of Yuen Shai Kai's party joining the strongest men in Sun Yet Sen's cabinet, which would make a very strong government headed by Yuen Shai Kai, as President. It looks as though he will be military dictator for some time to come.

I went from Nanking to Hankow on one of the largest boats on the run. It was most comfortably furnished, and I was the only first-class passenger, which goes to show to what extent the revolution has cut into business. There were a number of Chinese on board, but not nearly the usual number.

TIENTSIN

We proceeded to Tientsin, where, on my arrival, I was invited by the Chinese Chamber of Commerce to attend a reception to be held in my honor on the 2nd of February.

The large audience room was filled to overflowing with Chinese merchants and a few foreigners. The American Consul General and the Vice-Consul General were present. The President and the Vice-President of the Chamber of Commerce and the most important men of the city received me. No people could have done me more honor, or rather more honor to the nation I represented, than they did. They paid me the most unusual honor of rising when I rose to deliver my speech, and they remained standing until I had finished talking.

The address I delivered was as follows:

Before commencing I wish to thank you for the elaborate decorations in this hall, and on behalf of the nation I have the honor to represent I acknowledge the courtesy you have shown in having the proportion of over three American flags to one Chinese flag.

I have two subjects on which I wish to speak. First, the invitation of the Associated Chambers of Commerce of the Pacific Coast of America to the Consolidated Chambers of Commerce of China. Second, of the Panama-Pacific Exposition which sends a message to you.

As to the first subject: On my arrival at Shanghai, I told the Chamber of Commerce of the invitation, but, on account of the revolution, they asked me not to officially present it then as they would be unable to accept. On my return to Shanghai I will present and recommend its acceptance—the date to be agreed on later when the war is over.

Arrangements were completed before I left America for the party to leave Shanghai in March and go over our railroads for a distance of twelve thousand miles. A special train of sleeping, dining, saloon and baggage cars will be provided which the party can occupy the entire time of their visit. Sixty-three of our largest cities will be visited, and all our great manufacturing and educational establishments are to be shown.

Our late visits to Japan and the visit of our Commissioners to your country last year (I was a member of each party), were productive of much good. Hence, our extend-

ing the present invitation to you, knowing that still greater good will come from it.

The other subject is the Panama-Pacific Exposition. This the people of our country intend making the greatest exposition the world has ever seen. Over forty million dollars of your currency has been provided. The Exposition grounds will be located on the Golden Gate, so that the largest steamers can lie at wharves which are to be especially built for this occasion. Railroad tracks will be laid from these wharves to every building, so there will be no transshipment of exhibits, which can be returned to the wharves in the same way after the Exposition is over, at a minimum expense.

We especially want Chinese exhibits on a large scale, as it is intended to make the exposition of a distinctly Oriental character, and an effort will be made to erect a permanent building where Oriental wares and products may be on permanent exhibition, with a man in charge who will try to develop and increase the trade between China and America.

On account of the uncertainty of the Government at present, I will be unable to lay this matter before the Wai Wu Pu, but it will be done at some future time.

I will close by bringing you a message of peace and good will from America to China, and assure you of our continued friendship. Also I will be most happy to assist in every way I can to bring peace and prosperity to your country. I returned to Shanghai and on February 24th addressed a meeting of the Consolidated Chambers of Commerce of China in the large audience room of the Palace Hotel. The following is a translation from the *China Press* of Shanghai:

The Associated Chambers of Commerce of the Pacific Coast of America have commissioned me to present to you an invitation to visit the United States of America, which reads as follows:

"To the Consolidated Chambers of Commerce, of China:

"The Associated Chambers of Commerce of the Pacific Coast, at a meeting held today, decided unanimously to

GUARDIAN OF GATE OF "HEAVENLY PEACE"
Entrance to the Forbidden City

extend a cordial invitation to the Consolidated Chambers of Commerce, of China, to send a delegation of fifty to the United States, to arrive in San Francisco on or about the 29th of March, 1912.

"It affords us great pleasure to notify you of this action, and to say that it will gratify the business men of this community, to be able to extend our hospitality also, remembering the kindness and courtesy conferred by you upon our delegation that visited China in 1910.

"We are aware that much good will come from the proposed visit of your representative delegation, for China and the United States have ties of friendship and great interests which both countries desire to promote. Our delegation gained much information in China, and the knowledge then acquired cannot but prove beneficial to your country.

"We assure you that your delegation will see much of the United States, and that it will be our purpose to arrange the itinerary in all its details, so that each and all of our industries shall open their doors freely and gladly. Our men of affairs and business will, to the fullest extent of their ability, strive to make the time you spend in this country both pleasant and profitable.

"THE ASSOCIATED CHAMBERS OF COMMERCE OF THE PACIFIC COAST.

"H. M. Haller, *President.*
"C. W. Burks, *Secretary.*

"San Francisco, October 3, 1912."

I should have given you this invitation on my arrival here last November, but on account of the great trouble and trials you were going through, I deferred until peace had been restored. Now this happy result has been accomplished, I take great pleasure in publicly congratulating you on the result.

You will notice that the time stated in the invitation is too short, and I would suggest, if you see your way clear to accept, that the date of your visit shall be fixed by mutual consent later on.

Before leaving San Francisco, arrangements had been made for a special train of sleeping and drawing cars to carry your party through a large portion of our country and ninety days would be required from your arrival in San Francisco until your return to Seattle.

During this trip, we will endeavor to show you our large manufacturing and educational establishments, and we would suggest that your party be made up of representatives of all of your great manufacturing, agricultural and industrial enterprises.

Our Commissioners, who visited you sixteen months ago, were greatly benefited by what they saw and delighted with your hospitality, and we hope for a like result from this visit of your merchants to America.

But the great object that we have in view is not only an increase in our commerce (we are sure that will follow), but an increase of friendly relations, and now that we can call you our Sister Republic, I feel that we will be drawn closer than ever before, and I wish you every success in your great undertaking.

At the request of Dr. Reid I gave a lecture at the International Institute. The hall was full of Chinese with a sprinkling of foreigners.

Following is my address, delivered February 28, 1912:

Chinese commerce, for a nation having a population of four hundred million, is insignificant.

Dr. Reid asked me to talk on Chinese commerce. It occurred to me that I could take one specific branch, or treat the subject in a general way; I chose the latter.

In agriculture, I could have taken up the soya bean, sessimum seed or cotton, and any one of these subjects would have taken up all the time at my disposal; minerals and manufactures are even more diversified.

Your mineral wealth is practically unlimited, but your mines are undeveloped; in fact, you have no idea of the extent and importance of your minerals, as practically no prospecting worthy of the name has been done. In a general way, it is conceded by experts that you have the largest coal

fields of any country in the world; in iron ore, enough is known to predict that you have the richest and largest deposits in the world; copper and other valuable minerals are known to exist in large quantities.

Your mineral exports are on a small and insignificant scale, for you do not produce nearly enough for your own use. In 1910, you imported, principally from Japan, nearly one and a half million tons of coal, for which you paid in good Chinese money over ten million dollars; all of this money should have been expended at home. You bought all you required of iron, steel and the products thereof, except the small amount produced at Han Yang, and during the past weeks we have read in the papers of the probability of this great industry passing out of Chinese hands.

Gentlemen, this should not be. I would consider it a national calamity if either of these mines or works, or the China Merchants' Steamship Company, should pass out of Chinese ownership or management.

You have untold wealth in your mineral resources. All you have to do is to extract it from the earth and sell it, and that of itself will bring prosperity, and furnish employment to millions of your people. I do not hesitate to say that I firmly believe the Yangtsze Valley will yet be the greatest steel producing country in the world. I base my opinion on history, which shows that those nations which have risen to the highest position in the world of commerce, had coking coal and iron ore near together and also convenient to transportation.

In manufactures, you have made a sufficient start to show you what *can* be done. In the cultivation and manufacture of cotton alone, you should employ millions of your people, and not only produce cloth enough to clothe your four hundred million, but with your soil adapted to the growing of this commodity, and with your myriads of hard-working and industrious people, you would, in time, become one of the greatest exporters of manufactured cotton.

I will not enlarge on other commodities to detract your attention from this main issue, but will just call your atten-

tion to what could be done in the manufacturing of silk, flour, iron, steel and machinery.

Then, as to imports; they would increase in the ratio of your exports, as by the great increase of your industries you would raise the purchasing power of your people, and as a consequence your standard of living would increase, and the wants of your people would increase in articles of import from foreign countries. The necessity for a merchant marine of your own would immediately be felt, and like your neighbor, Japan, you would take steps to carry your own commerce.

The necessity for a complete system of railroads throughout the country is so apparent to you all that I need only mention it.

What I have said looks plain and easy, and it would be a pertinent question for you to ask yourselves, "Why cannot we go ahead and start all these industries?" Or rather, "What obstacles are in the way?"

First: There is lack of capital. You must borrow money to develop the resources of your country. Had the people of the United States refused to borrow foreign capital fifty years ago, that country would not have one-half the commerce it has today. I mention this, as I know a great number of your people are opposed to getting foreign money, but with proper precautions it is quite safe to borrow a reasonable amount, especially when it is to be used to develop your resources.

Second: You require a good banking law on which solid banks can be built, so that your people's money would be safe, and the banks be able to stand when times are bad as well as when they are good. I need but call your attention to the native banks throughout China today, as about two-thirds of them have closed their doors.

Third: You must have a solid, stable currency, preferably on a gold basis. Business on a large scale cannot be carried on, as at present, with a fluctuating currency. You do not know how much the value of your money has changed overnight, until the foreign banks tell you. Exchange fluctuates so much that it makes good, solid business impracticable.

There are many other changes required in your laws, but these no doubt, His Excellency, Wu Ting Fang, will work out, as he is at present engaged on a new code of laws for you.

In conclusion, I wish to give you a word of caution. Your Republican Government is just being organized. It will take two or three years to get it in proper working order, so do not be impatient, but give the lawmakers time. I have every confidence in their ability to give you laws which will enable you to carry out all the matters I have brought to your attention, and I feel that the laws which will be enacted will enable you to become one of the great nations of the earth.

Two days before sailing, I gave a banquet to some of the merchants of Shanghai. Then the Chamber of Commerce gave me a banquet that night, and handed me a resolution to be given to the Associated Chambers of Commerce of the Pacific Coast.

This was followed by a speech in Chinese by one of the most popular Chinese orators, Mr. Yih Wei Chun, leader of the City Volunteer Corps and President of the Rice Guild.

"Mr. Dollar," he began, "allow me on behalf of my associates and co-workers to extend to you our heartiest greetings and sincere good wishes for your future welfare.

"All of us are aware that you have endeavored to foster closer relationship between the United States and China, whose commercial interests have been indissolubly bound together for the past few years.

"We deeply appreciate the good feeling and kind sentiment expressed in the invitation by our American friends, who will thus afford us a capital opportunity to study your industrial and commercial enterprises. We all request you to convey our hearty thanks to your friends for their kind invitation, and also avail ourselves of this opportunity of thanking you personally for your strenuous efforts made on our behalf, when three weeks ago you cabled to President Taft and Congress and the different Chambers of Commerce of the United States, recommending them to recognize the

Chinese Republic. Your laudable object in strengthening the friendly ties between the two sister republican nations will be soon realized.

"We regret to learn of your immediate departure for home, and in bidding you farewell we wish you and Mrs Dollar *bon voyage* and long life and prosperity."

I responded to the speech and the toast for my health, saying:

The laws of neutrality prevented me from expressing myself until the issue of your political struggle was achieved.

You can all rest assured that when I go back to the States you will have one strong, solid friend of China. I will take great pleasure in conveying your thanks and acceptance of the invitation to my friends at home.

The Chinese insisted on seeing us off at the jetty. The "M. S. Dollar," on which we were going to Japan, was anchored two miles down the river, and the dock company sent a tug to take us from the customs jetty to the ship at 5 o'clock in the afternoon. At this same time and place, the tender was leaving to take passengers to the "Tenyo Maru" for Hong Kong. My son Harold and I walked down, while our wives went in an auto. When we neared the place there were several thousands in the crowd, so that it was with difficulty we got to the bridge going on to the pontoon. After elbowing our way, we found this bridge guarded by police, and two double rows of soldiers lined up all the way to the tug and tender. We asked the Captain of Police if we could pass, but he said it was reserved for "some dignitary that was leaving the city." We turned back and reached the other entrance to the jetty, where we met the Secretary and the President, and others of the Chamber of Commerce who had been looking for us. They had found Mrs. Dollar in the crowd and escorted her to the pontoon, so we returned to the place where we thought some dignitary was to pass, and found to our astonishment that I was the dignitary, and was escorted with great honor and respect through the lines of soldiers. They all raised their caps and stood at attention. I was accompanied by the

President, Vice-President and Secretary of the Chamber of Commerce, and several of the most prominent merchants and bankers of the city, dressed in bright colored silks. It made a very attractive procession.

On the jetty I met many Chinese and European friends. As there were so many waiting to see us off I hurried our departure so they should not be kept waiting. The soldiers were lined up in front of the jetty, and we again passed between the double row of soldiers to the tug. When the tug began to move they cheered, and, with the waving of hats, soldier's caps and handkerchiefs, we started on our way. At this time it occurred to me that we had bought a large, new Republican flag and that it had not been packed away, so I unrolled it and with Mrs. Dollar holding one end and I the other, we waved it. This act produced great enthusiasm on shore, especially among the soldiers as the new flag had not been generally displayed.

Before boarding the tug, the general commanding the troops handed me a large, red envelope. I glanced in it and saw a long document in Chinese which I thought to have translated later on, but after getting settled on the "M. S. Dollar," I found an English translation of it, which with my reply was as follows:

To Mr. and Mrs. Dollar:

During your short stay in Shanghai you have gained our friendship and esteem. You are of venerable age and came from the other side of the Pacific. You love us as though we were brothers. You wish every progress to our commerce. We cannot refrain ourselves from recollecting your words addressed in the Palace Hotel, "I will do my best in anything that can be done to increase friendly relation, trade and commerce between China and the United States of America." It is impossible to express our gratitude for your parental anxiety for our New Republic. We deeply regret the lateness of our acquaintance and the haste of your departure. We hope God will bestow on us another opportunity of having the good fortune to meet again on the jetty.

On your arrival in America please convey our thanks to the Associated Chambers of Commerce of the Pacific Coast, who commissioned you to bring us the invitation to visit your States, and express our wishes for the long life and prosperity of Mrs. Dollar, yourself and your President and merchants. Farewell.

CHINESE MERCHANTS VOLUNTEERS' ASSOCIATION.

(Signed)

LI PING SHU, *President,*
YIH WEI CHUN, *Vice-President,*
WANG IH TING, *Vice-President,*
SUNG MAN YUN, *Vice-President,*
CHANG LE CHUN, *Vice-President,*
TUNG SHIU, *Secretary.*

Shanghai, March 1, 1912.

KARATSU, JAPAN, March 4, 1912.

To the President and Members of the Chinese Merchants Volunteers' Association:

GENTLEMEN: When you handed me your letter on the jetty, in the hurry and excitement, I did not notice that there was an English translation or I should have read it and replied then.

I now take this opportunity of expressing our thanks and appreciation of the great honor which you did us by assembling such a large force of the Volunteers at the jetty to see us off and bid us farewell.

I cannot find words to express the thanks due the Chamber of Commerce, your merchants and your Association for the great courtesies and kind consideration that we have received at the hands of the Chinese people, and I feel that inasmuch as I am not worthy of such great honor, that I must attribute it in a great measure to your friendship to my country, and I accept it as such. Mrs. Dollar joins me in regards to all, and we pray that God will bless and prosper the New Republic, and bring peace and prosperity to your country.

Yours respectfully,

(Signed) ROBERT DOLLAR.

It took hours before I got over the great surprise, and it brought forcibly to my mind God's great goodness and kindness to us. Instead of feeling elation, it made me more sober and thoughtful, as it showed more clearly the responsibility of doing what is right and just to all men, and it was only with that sole object in view of helping the New Republic that brought me so prominently before the Chinese people.

After arriving at Karatsu, we received the Chinese papers, giving an account of the farewell demonstration at Shanghai. They stated that no commercial man had ever received such a demonstration. An excerpt from the papers follows herewith:

"CAPTAIN DOLLAR FLIES FLAG OF REPUBLIC AS HE SAILS"

"March 2, 1912.—Unfurling a great 'Rainbow Flag' to the breeze as the 'M. S. Dollar' tender left the customs jetty, and shouting 'Salute your Country's flag' to the hundreds which had gathered to bid him farewell, Captain Robert Dollar left Shanghai for San Francisco at 5 o'clock yesterday afternoon. His cry was answered by a tremendous cheer from several companies of the Chinese Volunteer Corps, his escort of honor, and the many foreigners on the wharf added whole-hearted Godspeeds. As the tender shoved into the stream and made its way down the river, Captain Dollar could still be seen waving the flag of the Republic, until the little craft was lost in the maze of the river traffic.

"The farewell ceremonies attendant on the departure of the venerable financier were such as are seldom accorded men in private life. Long before his arrival on the jetty, lines of volunteer soldiers had been formed along the waterfront, under the command of Yeh Wai Chun, Chief of the local Volunteers.

"Captain Dollar arrived shortly before 5 o'clock, accompanied by Mr. Y. C. Tong, Mr. Chung Mun Yew, Mr. Chu Pau San, Mr. James Thompson, of the Shanghai Dock & Engineering Company, Mr. T. C. White, of the American

Consulate, Mrs. White, the Princess Der Ling, Mr. and Mrs. J. Harold Dollar, Mrs. Robert Dollar and Mrs. James Thompson.

"He was saluted by the military lines along the dock as he made his way to the customs float, and was greeted there by Mr. Chu Li Chi, Secretary of the Chinese Chamber of Commerce, at the head of a delegation of many of the leading Chinese business men of Shanghai.

"With Captain Dollar's departure, it was learned that the Chinese Chamber of Commerce has officially accepted the invitation of the Associated Chambers of Commerce of the Pacific Coast to visit the United States."

We spent a few days at Tokio, where I called on and received some of the prominent men. The object of this visit was to promote the interests of the Panama-Pacific International Exposition. Every one did all that could possibly have been done for my comfort, and gave me all the help possible. They could see that from a standpoint of international peace they should make a big exhibit. Baron Shibusawa, "the Grand Old Man of Japan," assured me that he would do his best to get us exhibits, which meant a great deal, as he is a man of his word. Baron Sokotano, Minister of Finance, was much interested and offered his support. Viscount Uchida's time was so taken up with Parliament that he could not see me during regular hours, but arranged to meet me an hour earlier than he usually got to his office. At first he was not in favor of the exhibition, on account of the cramped financial condition of the country, but when I showed him the effects that a big exhibit would have in increasing the friendly relations between our two countries he saw that it was the thing to do. Baron Ishii, Vice-Minister of Foreign Affairs, like Viscount Uchida, assured me that it was only lack of finances that stood in the way, but he thought this could be overcome. Many others of the influential men gave me some of their time, and all assured me they would make an exhibit.

The following is a synopsis of an address which I delivered in Tokio, and which appeared in the papers there:

"THE PANAMA-PACIFIC INTERNATIONAL EXPOSITION AND ITS RELATION TO INTERNATIONAL PEACE"

"The primary object of the Exposition is to give the nations, as well as individuals, an opportunity to show their wares and merchandise to the nations of the world, and thereby increase their trade and commerce. Also to bring people from every land to see and know what others can produce cheaper and better than themselves. There are also many who visit expositions for pleasure and to meet those from foreign countries who come either for business or pleasure. So, as a meeting place it gives them the opportunity of getting acquainted and nations are by this means drawn closer together. The aim of the managers of the Exposition is to get the best Oriental exhibit that the world has ever seen, principally from Japan, China and the Philippine Islands, and, by so doing, those countries will all be drawn closer to the United States, and it is in this way that international peace comes about.

"The first principle of trade is to get acquainted and to be friendly with whom you trade. In this connection, I would call your attention to the beneficial results attained by the visit of our commercial representatives to Japan three years ago, and by your representatives, headed by 'the Grand Old Man of Japan,' Baron Shibusawa, making a return visit to the United States.

"Therefore, I claim friendly relations precede commercial, and commerce binds the nations together. But war destroys commerce and friendly relations. Now the great object to be attained, is peace between Japan and the United States, and if this Exposition does not increase and cement the peaceful relations and good will which now exist between us, then I claim that the Exposition has been a miserable failure, and the time and money lost. The keynote is, that the Exposition provides the means of getting our nations together and getting their citizens better acquainted, thereby increasing their friendship, and increasing trade naturally follows; provided, one nation has to sell what the other

nation wants to buy. The great volume of trade going on between us at the present time demonstrates beyond a doubt that each has what the other needs.

"It may not have occurred to the directors and promoters of the Exposition, but I am sure that when it is put before them they will see that the great object to be attained is international peace, and I hope the day is not far distant when an arbitration treaty will be entered into, such as President Taft drafted with Great Britain and France; but not like the empty husk that Congress offered as a substitute after taking all the meat out of the cocoanut."

Chapter Eighteen

SAIL FOR HOME ON THE "MONGOLIA"

We sailed from Yokohama on the steamer "Mongolia," March 14, 1912, and had many enjoyable addresses and lectures which were instructive as well. Bishop Bashford, of the Methodist Episcopal Church, gave us a very fine lecture on the effects of the revolution in China. His diocese is all of China, and he travels all over, so he has a very comprehensive knowledge of the country and is absolutely unbiased and fair.

On the 21st of March, at the request of the passengers, I gave an address on the "Probable Effects of the Panama Canal on the World's Commerce," which follows:

The Panama Canal and our merchant marine are so closely linked that it will be necessary to speak of the latter first. In 1862 we had the largest and far the best lot of ships of any nation. At that time we had 2,496,900 tons engaged in the foreign trade alone. According to the latest reports we now have less than five hundred thousand tons engaged in foreign commerce. The Commissioner of Navigation states in his last annual report that the entire tonnage registered for foreign trade was only 585,730; included in this are the Hawaiian sugar fleet and Yukon River steamers: and, strange to say, there are over one million eight hundred thousand tons of shipping owned by American citizens, which, by our unreasonable laws, are now compelled to run under foreign flags and register.

By our treaty with Great Britain they claim that all American vessels passing through the Canal must pay tolls: we claim this never was the intention, as foreign nations can have no interest in our coastwise trade as no foreign ship can carry cargoes from one American port to another. Therefore, the passing of American ships free through the

Canal, that is ships engaged wholly in coastwise trade, does not interest or in any way affect vessels belonging to a foreign country. It is quite right, however, that American ships engaged in the foreign trade and in competition with foreign ships should all pay the same tolls.

Section 6, of the River and Harbor Bill of 1884, distinctly states that no United States vessel shall pay any tolls for passing through any canal or lock, now constructed, or that may hereafter be constructed. This relates more particularly to coastwise trade. Primarily, the Canal was constructed for national defense and for interstate commerce, and, inasmuch as we have no vessels to use in the foreign trade, it follows that this is of secondary importance as far as the American nation is concerned. While those views are national, they are narrow. But looking at it from the broad viewpoint of the world's commerce, and as such as a world-wide benefactor, we must treat all nations fairly and liberally. As for taking money out of the public treasury and paying shipowners who use the canal as a subsidy, we certainly have a perfect right. Vessels passing through the Suez Canal receive a subsidy from the following countries: Russia, Austria, Italy, Sweden, Japan, and others in a lesser extent.

As to the influence that the Canal will have on the world's commerce. First, domestic and coastwise trade. This is sure to be very great as a big trade is going on now, even handicapped as it is by trans-shipment and railroad haul across the Isthmus of Panama. I do not think it an extravagant estimate to say that there will be four times as much traffic as there is now.

The Commissioner of Navigation complained, and justly, that Americans, except the American-Hawaiian Company, are making no plans to enter this business by building ships, but that foreign nations are making great preparations to start lines of steamers from Europe to the west coast of the United States. There is sure to be big immigration from Europe, as the rate to San Francisco will not be much more from Europe than the present fare to New York. Several large steamers are being built for this service, but what trade

will go through the Canal, other than to and from the United States, it is difficult to predict. The rate of tolls and the saving of distance will be the controlling factors. Congress should have removed the uncertainty of charges before now. That the competition of the Suez Canal must be met is a foregone conclusion. They have been preparing for it, as twice during the last two years the tolls have been reduced. The tolls are now $1.30. The shortest distance will determine to a great extent the route steamers will take. The saving of distance from Manila to New York via the Panama Canal is four hundred and seventeen miles, Hong Kong to New York five hundred and ninety-seven; but from the Orient to Liverpool the distance is much in favor of Suez.

So it can be expected, if the tolls are the same from Hong Kong and Manila to North America, freight would move by way of Panama. But, as the passenger steamers have all their connections, ports of call and coaling ports, via Suez, it can be expected they will continue running that way. On the other hand, everything for the Orient from Europe would continue to go that way, saving four thousand miles. So it looks as though the American Government is to be the greatest beneficiary of this, the greatest engineering feat of the world.

The benefit that the United States will get out of it will be very great, and justly so, as they furnished all the money to build it. First, as a means of national defense, and thereby doubling the capacity of our navy. Second, it will bring the products of the field, orchard and forest of the Pacific Coast within easy reach and by cheap freight to the people of the Eastern States. Then it will reduce the cost of the manfactured articles from the Eastern States to the people of the Pacific Coast. All this trade exists in a small way at present, and we can confidently expect it to increase very quickly. Third, a great increase will come from the Orient. Japanese trade is sure to increase; the Philippine trade should double the third year after the Canal is opened; but the greatest increase will come from New China, when their four hundred millions of people get properly in order—

this increase will be as radical as the throwing off of the Manchu yoke and the establishing of a Republic.

But to take advantage of our opportunity our merchants must go after the trade, and we must have ships. What a sad commentary on our Congress to say that they built a canal costing four hundred millions of dollars, and by their laws prohibited American citizens from building ships to use it in the foreign trade. We talk of awakening China, but now we must change that and try to awaken Congress to the great prospect ahead of us.

To show that the efforts I have made for increasing the friendship and commerce between China and the United States have been successful and appreciated, on two different occasions I have been decorated by the Chinese Government.

We arrived in San Francisco March 30, after a most enjoyable trip, and after a short stay, I made a trip to Grand Rapids, Detroit and New York, returning by way of Seattle.

Chapter Nineteen

A JOURNEY TO GREAT BRITAIN AND RETURN

Early in July, 1912, we left on a business trip to England and France. At this time I was a director in the Anglo-French China Corporation, and visited the company in Paris. While there I was astonished and surprised to receive a letter from the mayor of Falkirk, Scotland, my native city, in which he requested to know when I would be there as they had decided to confer on me, the Freedom of the Burgh, the highest honor the civil authorities can confer on one in Great Britain.

I returned to London, and, when I had finished with the business I had in hand there, I proceeded to Falkirk. While in London, the *Times* printed the following article which I wrote, relative to the Panama Canal.

"THE PANAMA DUES AND COASTWISE TRADE—
AN AMERICAN SHIPOWNER'S VIEWS"

"On account of the intense feeling that has been aroused in this country, and the absence of the proverbial British reputation for fair play, a decision having been arrived at before hearing both sides of the question, many pages have been printed, but in none have I seen the American side given. I need not give the British side, as it has been printed many times, and the public are familiar with it. The object of writing this is not for controversy, but first to give a plain statement of facts; and, second, to endeavor to promote peace and good will between the two nations. I believe that our diplomats will settle the question, but, if they fail, I would be in favor of submitting it to The Hague. It is not, however, a matter for that tribunal to decide as it is purely a domestic matter in which Great Britain is not interested.

"The vessels which will be permitted to go through the Panama Canal free of tolls will only be those engaged in the coastwise trade, and as only American vessels are permitted to engage in this trade, then it follows that foreign nations cannot be interested, as they are prohibited from engaging in this trade by a law which antedates the Hay-Pauncefote Treaty by many years.

"The spirit of the treaty was that we shall not discriminate against British ships. How can there be discrimination when it is impossible for British ships to engage in this coastwise trade? The discrimination is in prohibiting British ships from engaging in coastwise trade, not in allowing American ships to go through free. American ships engaged in the foreign trade, as the law stands at present, must pay the same tolls as British ships, and according to the treaty this is right; but, strange as it may appear, the American shipowners are not directly interested in free tolls coastwise, it is the American public, as any tolls put on will just increase the rate of freight to that extent; and, far more important than all this, is the fact that the transcontinental railroads will also increase their tariff to the amount of the tolls, so that it is far-reaching, and explains more fully the American contention that it is a local internal affair, and not an international one, hence the reason Mr. Taft has stated that it is not a case over which The Hague has jurisdiction.

"The railroads maintained a strong lobby in Washington all last session, headed by two of their ablest men, endeavoring to get as high tolls as possible put on coastwise ships. They were naturally not interested in rates charged on ships engaged in foreign trade. The contention has been made that by passing the coastwise ships through free it would increase the tolls on foreign ships.

"There is no expectation in America that the Canal will be an interest-paying investment for many years to come. Congress anticipated this, and they direct that 'we shall try and get tolls sufficient to pay the working expenses only.' If they do that they will do well. Furthermore, this Canal is like any other commercial enterprise that must meet the world's competition. The Suez Canal is rapidly coming

down in its rates in anticipation of competition. Then, there are still open the waterways that we are using now, so the United States will be compelled to make the tolls low, otherwise they will find themselves with a canal on their hands and few ships going through it; and, seeing that they are determined to make it a success, the only way this can be done is by meeting any and all competition, and by making the rate reasonable and low enough to get the traffic. Then there is talk here of boycotting America, and a member of Congress said the only way to arbitrate this question was by the sword. Verily, the fools are not all dead yet.

"I need not go into the question of the exclusion of railroad-owned ships from passing through the Canal, as that is of local interest only, and is necessary to prevent railroads from getting complete control of the coastwise traffic that would go through the Canal, thereby raising the rates overland. The question has often been asked, what is coastwise? It is trading between ports from which all vessels are excluded except American bottoms. The Philippine Islands trade to the United States is open to the world.

"You published a letter the other day in which your correspondent tried to show that the lumber trade of British Columbia would be ruined by free tolls. He omitted, or did not know of an important factor in this connection; that is, that there is a duty of five shillings per thousand superficial feet against Canadian lumber coming into the United States. I will give you some figures which will show that British vessels will continue to do business at the old stand; and, inasmuch as I own British and American vessels and am engaged in the timber trade, I am able to give you that data correctly, and, as this is a criterion for all other trades and commodities, it should convince British shipowners that they have nothing to fear from American ships, either coastwise or foreign.

"Timber ordinarily can be bought in British Columbia as cheap as on Puget Sound, so we have only the transportation tolls and duty to consider.

The cost of building a 9,000 D. W. capacity tramp steamer in Great Britain at the present high price is	£	70,000
Five American vessels of the same size are now being built on the Delaware, for, each	£	142,000
A difference of	£	72,000
The difference in the cost of operating a 9000-ton American vs. a British ship is, per annum	£	3,650
Then, as the first cost of £72,000 more, provision must be made on this amount for 5% for depreciation, 16% in all, which amounts, per annum, to		11,520
	£	15,170
The trip from British Columbia to, say, New York and Philadelphia will consume about a quarter of a year, that amount is chargeable against the American ship for the voyage (round sum)	£	3,792
The vessel would carry 4,000,000 superficial feet at 30s. This rate I assume would be a fair one for a British ship		6,000
Total cost to the charterer if carried on an American steamer	£	9,792
Allowing the British steamer the same rate as the American steamer, 30s for 4,000,000 sup. ft	£	6,000
Canal tolls, say $1.00 per net register ton		800
Import duty into the United States, 5s per 1000 sup. ft		1,000
	£	7,800
A difference in favor of carrying the cargo in a British ship, about 20%		1,992
	£	9,792

"All other commodities carried in British versus American ships will be affected in the same proportion, so I trust the calamity howlers who claim that British Columbia will be ruined, instead of dealing in generalities, will get down to hard facts and cold figures. I need hardly add that, after the Canal is open, any lumber we sell on the eastern seaboard of the United States will be bought in British Columbia and carried in British steamers. I dislike very much to give business secrets away, but I am doing it only with the hope that an amicable understanding may be arrived at, and that good feeling and friendly relations may be re-established and that there will be a closer union between all the English-speaking people of the world, and I hope and trust that the people on both sides of the Atlantic will endeavor to bring about this much-to-be-desired condition."

I had given the city of Falkirk money to erect a monument and drinking fountain in the public park, in honor of Sir John de Graeme. They delayed the unveiling so that I could be present at the ceremony. This took place in the evening, to give the working people an opportunity to be there. The Falkirk *Herald* had this to say of the affair:

"On Thursday evening a series of interesting and successful functions took place in Falkirk in connection with the presentation of the Freedom of the Burgh to Mr. Robert Dollar, of San Francisco, and the unveiling of a handsome granite drinking fountain which Mr. Dollar has presented to the town as a memorial to Sir John de Graeme, who was slain at the battle of Falkirk, 1298. Mr. Dollar, who is a native and benefactor of Falkirk, and who is one of San Francisco's best-known and most successful commercial men, has been touring in this country for the past month or two. Unfortunately, there was a heavy downpour of rain during the progress of the first function, namely, the unveiling of the Sir John de Graeme memorial by Mrs. Dollar. At the conclusion of this ceremony, the formal presentation of the burgh took place in the Town Hall, and afterwards there was a cake and wine banquet in the Masonic Temple."

The *Burgess Ticket* wrote as follows:

"At Falkirk, the twenty-ninth day of August, in the year one thousand nine hundred and twelve, which day the Provost Magistrate and Councillors of the Burgh of Falkirk being convened, they receive and admit Robert Dollar, Esq., of San Francisco, to the liberty and freedom of an Honorary Burgess of the Burgh of Falkirk with power to him to use and exercise the whole liberties, privileges and immunities thereto belonging, as fully and freely in all respects as any other Honorary Burgess has used and exercised, or may use and exercise the same at any time, bygone or to come.

"Extracted from the Council records of said Burgh by

"(Signed) A. BALFOUR GRAY, Town Clerk."

The *Press* said:

"HONOR WHERE DUE"

"It must be generally acknowledged that the honor conferred on Mr. Robert Dollar, when on Thursday evening he was admitted a Free Burgess of the Burgh of Falkirk, was well merited. No one has done more to earn the gratitude of the community than Mr. Dollar. A not uncommon experience in the case of people who leave their place of birth for the purpose of pushing their fortune in other parts of the world, is their entire forgetfulness and neglect of old associations. To Mr. Dollar's credit be it said, it has been altogether different so far as he is concerned. His efforts to improve his own position have met with gratifying success, and Mr. Dollar's native town has shared in his prosperity.

"It cannot be forgotten that it was to Mr. Dollar that the people of Falkirk were first indebted for the benefit of a free library. Before the days of the Hope Street institution, Mr. Dollar had provided the means for a large supply of valuable books being obtained for the use of the community, and these formed a valuable nucleus to the now existing well-furnished establishment. In other respects the town has benefited by Mr. Dollar's munificence, and there has been frequent evidences of the warm interest he takes in it and in its various associations. Having all this in mind, it must readily be perceived that Mr. Dollar had a strong claim on the gratitude of the people of Falkirk, and it was fitting that that claim should have been acknowledged in the manner it has been."

I noticed on signing the Burgess Roll that the last one to sign before me was Lord Roberts, and only three of us had received the honor in the last century. It was certainly a great surprise. The Town Hall, capable of holding some three thousand people, was filled to overflowing and there were more people outside than could get in.

We left Falkirk for Glasgow, and while in the latter city, Mr. T. L. Duff took us on an automobile trip to the West Highlands, Scotland.

This was one of the most enjoyable trips we ever had. Starting from Glasgow at 10 o'clock in the morning, we went down the Clyde through Dumbarton, along the shores of Loch Lomond. The fertile fields and shaded avenues of fine, large trees surrounding the gentlemen's places were beautiful sights. The moist, damp atmosphere makes it possible to have lawns like velvet, impracticable in our dry California climate.

We passed the quiet, quaint village of Luss, on the bonny banks of Loch Lomond, and crossed over a divide; the scenery changed to a wild, rocky range of hills with plenty of heather in bloom. We then passed through the village of Tarbet and got as far as Craiglarich for lunch, a distance of over fifty miles. It was a very nice, neat home-like hotel. After lunch, we crossed what is called Black Mountain, attaining a considerable height, and then descended through the Pass of Glencoe. Up to this point from Craiglarich there were no inhabitants. It was a wild, dreary country of morass and rough, rocky hills. Going down the glen, the scenery was splendid, as only in this highland country can such magnificent views be found.

We passed the monument marking the place of the massacre of the Clan MacDonald by men who posed as their friends, who, after partaking of their hospitality for two weeks, fell on them and killed all they could find, but fortunately many escaped in the darkness.

At the foot of the Pass of Glencoe, on the shore of an estuary of the ocean, we stopped at a neat, comfortable hotel in the small village of Ballachulish. It was such a home-like place that we were almost persuaded to remain there for the night, but it would have left too much distance to cover the next day, so we went on. We followed the shore of Loch Linnhe for a long distance to Connel, where the motor was put on a railroad car and transported five miles, crossing the railroad bridge, to avoid ferrying. This was a good arrangement, as at the bridge the current was very swift. Instead of a locomotive there was a motor car which seated about twenty people. They make regular trips this short distance, and we were told that up to September

of this year they had carried over five hundred motors. The north end of the transfer is called South Connel, a good sized village. From there we went on nine miles to Oban, where we arrived after dark.

The next morning we started back by a different route, going through the Pass of Brander. We followed the shore of Loch Awe for a considerable distance as we had to pass around the head of it. This is a beautiful sheet of water surrounded by high hills. At the foot of the Loch, on a small island, is the ruin of a large castle. There are a number of large, fine looking estates in this vicinity.

We passed through the village of Dalmaby, then through Glen Ahray and the village of Inverary, where we stopped a few minutes and had a very pleasant talk with the genial host at the Argyle Arms, on Loch Long. We went around the head of the Loch and crossed over to the head of Loch Fyne, followed the bank for a distance, and then crossed through Glen Kinglas and over a high mountain called "Rest and Be Thankful." Any one going on foot would certainly be thankful to rest as it is a very long and steep hill. We arrived at Arrochar for lunch. Proceeding, we crossed the divide amongst the bonny blooming heather to the Cave Loch, and followed along it, crossing over to the Clyde to Kilcreggan and Cove, and then retraced our steps around the head of Cave Loch and on through Helensburgh, a large town, to Dumbarton, where we had a fine view of Dumbarton Castle and Rock.

We passed Henry Bell's Obelisk, on a prominent point on the shore of the Clyde, in a very appropriate location. We crossed the Clyde at Erskine Ferry, and passed over a beautiful agricultural and picturesque country to Kilmalcolm, where we stayed with our kind host at his place called "Chelston." Thus ended one of the most pleasant trips we had ever had, during which we saw more of bonny Scotland than we had ever seen before, and will carry away many pleasant recollections of it for years to come.

While on this trip, the one thought which always came to us was the extraordinary good roads and perfect condition in which they were kept, even in the country places where

not much travel could be expected, in a very marked contrast to the roads in America, but we are young in that line as yet. Another contrast that was noticeable, was the uniformly clean, neat, home-like hotels in places where they could not expect much patronage, nearly all white-washed, even the steps up to the door being as white as snow. The meals were excellent, even where visitors were not expected. The general appearance of the people showed thrift and a total absence of poverty. They have poor people no doubt, but nothing approaching the squalid poverty that we see in many countries, all of which causes us to be glad that we are able to go away with praise and thankfulness for this, our native land.

Of this trip there is little left to write except to summarize results, and when I think calmly of what has happened during this year, the question comes to me, "Why all these honors?"

We sailed for home on the steamer "California," from Greenock. The trip over was a pleasant one, made up of entertainments and the usual round of pleasures one finds on board ship. The last night out there was a musical entertainment at which I presided. The committee put in the program, "An Address by the Chairman," no doubt expecting I would talk on the musical program which was the subject before us. My speech was as follows:

I will say a few words on a subject that lies very near to my heart which can be called by several titles, amongst them "The Brotherhood of Man," "Preventing War" or "The Union of the Anglo-Saxon Races." It is on the latter I will speak more particularly, for what else is this than the Brotherhood of Man and the Preventing of War.

By the union of the English-speaking races, I do not in any sense refer to any political union or alliance, neither have I any fixed plan. I am quite willing to leave that to our diplomats, or to the Houses of Parliament and the Congress of the United States. What I want to impress upon you is this—that before our legislators can take any action, a majority of the people on both sides of the Atlantic

must be in favor of it. Some of us in America have been quietly working to that end. They have put a small lump of leaven in the meal and it is steadily working. I was very pleased indeed to find a similar movement in Great Britain. Neither side has been made public yet. Now the object of bringing this to your notice is to ask every one of you to become a committee of one to talk to your friends and neighbors on both sides of this ocean, and you will be surprised to find how sympathetically your appeal will be received. Does it occur to you that with the union of the English speaking race war would be almost impossible? So here comes in "The Brotherhood of Man."

Do not be discouraged because each is such a small unit of mankind, but consider the effect of setting millions to thinking as we do, and see what the results would be. This matter was brought forcibly before me last winter, while I was in China endeavoring to stop the civil war then going on, and as a means to the end I thought, if the United States would recognize the New Republic, it would end it. After spending a good deal of time and money cabling to our President and Congress, Mr. Taft requested me to go and see Mr. Calhoun, in Peking. I was one thousand miles away, but I went and I totally failed to convince him. I stuck to it so hard that he took me into his confidence, and, now that it has been made public, it is no breach of confidence to tell you that he had made a firm agreement with Sir John Jordan that they would work together, and on no account would he do anything to which England would not agree. I had no argument to combat a statement like that, and while I was sorry to fail, still I told them both that it gave me the greatest pleasure to know that at last the English speaking races were temporarily united. And it is a fact that they completely controlled the situation, and, if I was not bound to secrecy, I could tell you that by that union they prevented the dismemberment of China, which would have brought on a European war. Then, in after years when the history is written, you will see plainly that China could not be divided without a quarrel amongst the European nations. America would have been out of it as she did not

want a share, so with these explanations I again ask you to do your best.

On the latter end of the program you will notice we sing "God Save the King." That is proper and very good. Next comes "America," with the words "My Country 'Tis of Thee." Did it ever occur to you that all nations of the world can take this home to themselves and sing it from the heart. Then we are to finish with Burns' immortal "Auld Lang Syne." I call your attention particularly to this line, "Should auld acquaintance be forgot and never brought to mind," and also to a line in another poem of his, "Should brithers be and a' that."

From these you will see that Burns, long before the time had come, had the same ideas that I expressed this evening. You all know that wherever the English language is spoken, this song is sung. At the close of a banquet in Falkirk the other night, all joined hands and sang it enthusiastically. Previous to this, the last time I heard it was in the city of Manila, at a banquet given in my honor, when the large audience ranged themselves in a double row around the room and sang it as enthusiastically as was done in Falkirk. On that occasion, on one side I clasped the hand of a resident of the Philippines, and on the other side the hand of a member of Parliament from Australia. Truly the Brotherhood of Man is getting closer.

While in New York, I called on a number of friends and attended to our business, proceeding thence to Ottawa, where we made several calls on old friends. I was intensely interested to see places where I had spent part of my boyhood and the early part of my early manhood days, and to note the great and radical changes that have taken place.

We also went to Coulonge, sixty-eight miles by rail, and from there visited a waterfall called The Chute, where a long slide carries the timber and logs past the falls. It is always a pretty sight, but the weather and the sun were just right to see a most beautiful rainbow, which is always over the falls in sunshiny weather, all of which was very interesting, and especially so to Mrs. Dollar who had spent the

earlier years of her life in this vicinity. On the way going up, there used to be a pine forest, the soil of which was not considered of any value. Now it is cleared of stumps, and good farmhouses have been built on the land, which produces good crops. The people seem to be thrifty and comfortable.

Mr. George Bryson drove us to the old fort built by the Hudson Bay Company, about one hundred and twenty-six years ago. The storehouse still stands in a very fair state of preservation, but the house was burned down years ago. From this point there is a beautiful view of Coulonge Lake and the river, which we saw in all the gorgeous tints of a Canadian autumn foliage.

We then drove through a large tract of rich agricultural land, many miles in length and from two to four miles wide. This land when I was here many years ago was not considered worth anything for farming. The fallacy of that idea is shown in the present fertile, level fields and comfortable houses with good barns and plenty of grain in them. I thought I knew this country fairly well in a general way, but I must say that I did not. There is a great improvement going on in farming, and in the towns and villages, a general advancement reflected in the city of Ottawa, which has changed for the better almost beyond recognition. The change in Sussex street, which was the principal business street of the old city, the building of the great hotel Chateau Laurier, the bridging of Sparks and Wellington streets into one, together with the new Grand Trunk depot makes this as attractive a spot as can be found in any city.

In the manufacture of lumber I saw several things that would be of benefit to lumbermen on the Pacific Coast. At New Edinburgh I saw logs going through the saw mill, from six to ten inches in diameter, many of them so crooked that if sawed in the ordinary way, the saw would cut diagonally across the log in one-half of its length, so that the lumber would be useless. By this process the hump is kept up and the saws cut parallel from end to end of the log, but, of course, the boards are crooked. Before edging them they are cut into as long lengths as the crook will permit, then

they are edged, the shorts to go for boxes and the ten-foot and up into lumber. I saw Spalt machines running with horizontal bands, where short boards from slabs were being cut for box lumber five-eighths and one-half inches thick, and it was surprising to see how much they were getting. There were many labor saving devices which I had not seen. One was for sorting box lumber into lengths from twelve inches up to ten feet. It was a table one hundred feet long, with several carrier chains and openings to allow each length to drop into a large hopper under the floor, the shorter lengths dropping first; then every length five inches over its predecessor dropped into its bin. A small boy was the only person around who saw that each length was straight at one end. As all the logs were uniformly twelve, fourteen and sixteen feet, they were all using shot gun feed, and were equipped with the most modern up-to-date machinery.

They had a very economical way of working cedar. Any piece that was fit, was cut eight feet and an endless chain carried it through twin circulars, and as ties here are only sided, not squared, this one process finished the tie. What was not fit for ties was cut into eighteen inches for shingles. These were manufactured on hand machines, or what we used to call "Spalt Shingle Machines." At Rockland, they have two up-to-date mills, two railway companies have tracks in the yards, and about a mile of dockage. On the Ottawa River, when I was there, barges were loading for Burlington, Vermont, and Albany, New York. They were sawing the largest and best logs into three-inch lumber for the English market, and I was surprised to see so much good lumber coming out when the timber limits were supposed to have been cut out years ago. I found on this trip that the young growth is coming on fast and the forests are reproducing themselves. I had a practical illustration of this on a tract of timber at Coulonge. I well remember going through it forty years ago when there was not a tree over ten inches on the stump. It had just been cut into logs, and I was surprised to see plenty of logs twenty-four inches in diameter. This to a great extent explains why they are able to continue lumbering year after year over the same ground.

Through the courtesy of Senator W. C. Edwards, I visited Rockland Saw Mills in a palatial yacht. This place was known as McCalls Landing over fifty years ago, and I often called there when I was working as deckhand on the tug "Whitehall." This visit brought to mind the difference of my position in life now and at that time. I then held a position known on the Mississippi River as "a roustabout," whereas on this visit every arrangement for our comfort had been made. Returning home via Canada, where we visited friends, we went to Puget Sound and there I attended to some matters of business before proceeding to San Francisco.

I did not have the privilege of remaining home long, as on November 21st I was again on the train on my way to Washington, D. C., in behalf of the Chamber of Commerce and shipowners of the Pacific Coast, to protest against the passing of the Seaman's Bill. Shipowners from different parts of the United States were there to make a united protest. At the time it appeared as though we had won our point. but later we found our visit had been without success. I arrived back in San Francisco early in December.

I find that in this year, I traveled fourteen thousand six hundred miles by water and twenty-nine thousand four hundred miles by land, or a total of forty-four thousand miles; an average of one hundred and twenty miles a day. Needless to say, I was glad and happy to be able to spend Christmas and New Year at home.

I probably cannot do better than to copy what I find in my Diary of December 31, 1912:

"Thankful to close the year after having had a successful business year and having earned money to spare, so that I was enabled to spend a considerable sum for those in need, and also to aid in the evangelization of our own country as well as of China and Japan. During this year our business has grown and expanded beyond expectations. This is especially true of our trade in China, for which we give thanks to Almighty God for it all, as without His help it never could have come about."

Chapter Twenty

THE YEARS OF 1913, 1914, 1915

The year 1913 opened, as in years past, finding me a director of the Seaboard National Bank, Merchants Exchange, Chamber of Commerce, San Francisco Theological Seminary, Young Men's Christian Association and the San Francisco Port Society, and Chairman of the Foreign Trade Committee of the Chamber of Commerce.

In January of this year, I had an interesting experience. On the evening of the 26th, we sailed from San Pedro on the steamer "Mackinaw," which was en route from Panama to San Francisco with a general cargo. There was a dense fog when we dropped the pilot in the outer harbor, and the captain took over the command. Through a misunderstanding of orders, the wrong course was steered and the vessel struck on the breakwater outside the harbor. The wells were sounded as soon as possible, and a report of "Eight feet of water in No. 2 hold" was made.

I remarked to the captain, "Eight feet of water in ten minutes! You will see the ship at the bottom in about ten minutes more, so get all hands into the boats," which was done without confusion. I stood at the gangway assisting each man who came from below into the darkness, blinded by the bright lights he had left. Almost every man asked me to go first, but I saw them all safe in the boats before leaving the ship. Strange to say, the steamer did not appear to be doing down, so soundings were again taken, and it was found that the water was not increasing. We called the men back on board, and, with the assistance of a tug that happened along, we got her off and up to San Pedro wharf, where we started to take the valuable cargo out of her. The mystery of her not immediately sinking was learned when we got the cargo out. No. 2 hold contained kegs of nails at the place where the hole had been made. This hole was

large enough for a man to crawl through when she was on the drydock. We discovered that there was a bed of kelp where she went ashore, and that some of it had been sucked into the hole and against the smashed kegs, which made it almost water tight. Probably there never has been a similar case on record, and this saved the ship and cargo.

ADDRESS AT FOREIGN TRADE BANQUET, SAN FRANCISO, 1913

Japan—

There is nothing small about the committee when they assign to me the duty of telling you of the commerce of Japan, China, and the Philippines and Malay States. Bear in mind this takes in more than one-quarter of the human race. Primarily, our trade with Japan was manufactured goods, but since their late war they have taken a leaf out of our book and adopted a high protective tariff. This becomes necessary for two reasons:

First, on account of the tremendous war debt which necessitates heavy taxation.

Second, they wanted Japan to become a great manufacturing country. In this they have succeeded.

Now, the great bulk of our exports is raw material, but we still continue to buy from them on an increasing scale, so that the balance of trade is very much against us.

Last year San Francisco bought from them.....$25,884,698
They purchased from us..... 18,182,316

Leaving a balance of trade against us of.....$ 7,702,382

Then of recent years our exports to them have completely changed from manufactured articles to raw material, but the general trade of Japan with the world has increased by leaps and bounds.

They have paid particular attention to their merchant marine by assistance in subsidies and otherwise, so now they are carrying their products to every part of the world, and if we had any American ships in the foreign trade they

THE HONORABLE LI YUAN HUNG
Became President of China June 7, 1916; Resigned from Office August, 1917

would be formidable competitors; but seeing we have none, and not likely to have any, we are not affected.

China—

The formation of a republic like our own, controlled by men educated in this country, having to a very great degree our manners and customs, gives us a prestige and advantage that no others have.

They have all the natural resources which go to make any nation truly great. In minerals, German scientists who were sent to investigate say that they have more coal than all the rest of the world put together. I cannot give you a better idea of its undeveloped state than to say that they imported from Japan last year, one and a half million tons of coal. Enough iron ore is in sight to assure an unlimited supply for centuries.

In agriculture the richness and productiveness of the soil can best be told by the fact that they have produced enough to feed five hundred million of people. Now that a market is opened, and, since they have the means of transportation, they are producing what sells the best, so a great many of the products of the soil, which were unknown before, will find their way to foreign countries. I have only time to name a few of those.

Soya Beans—The exportation two years ago was so great that fifty-two large tramp steamers were chartered at one time to carry this product to Europe.

Sessimum Seed—A commodity unknown in commerce a few years ago. From Hankow alone they exported three hundred thousand tons. I may say that the oil from it is one of the best of substitutes for olive oil.

Raw Cotton is exported extensively to Japan.

I have mentioned Hankow. It is about the geographical center of China, over seven hundred miles from the ocean, and where for eight months of the year our largest cargo steamers can go. One-seventh of the human race lives on this mighty Yangtsze River and its tributaries. Like the Nile, it overflows its banks every year, thereby making the soil very rich. When the purchasing power of the people is

increased, as it will be, it goes beyond man's comprehension to even estimate what the enormous commerce of this magnificent valley will be, as their demands will increase as they get more money; and, if we go after it, what our share of that enormous commerce will be is also beyond our highest hopes. We will not have a walk-over, however, as Great Britain, Germany and Japan are fully alive to the possibilities, and their brightest merchants are already on the spot. I ask you merchants to take advantage of this golden opportunity now, not by staying at home and writing letters or sending circulars in a language the people can't read, but by sending the very best and brightest men in your employ. This is a man's job, don't send a boy!

Then, manufactures are springing up all over the country. They are going into the production of cotton cloths, and while quantities of the raw material go to Japan, cotton mills are consuming a large quantity. Iron is being produced there and some of it finds its way to this country, so I would urge on you to look into these great and varied opportunities.

As to the stability of the Chinese; when the revolution broke out every native bank closed its doors, but I have yet to hear of any firm that lost a cent. Imagine, if a revolution broke out in these Pacific States and every bank closed its doors, what would be the result and would it be possible to get out of it without a heavy loss?

Think of the change that has come over China. Thirteen years ago a decree went forth that all Christians should be put to death, and after the revolution at the request of the new Government all Christendom offered prayers to guide them in forming their government.

The Philippines—

Recently it was my privilege to visit the Philippine Islands; my object being to see what commodities we could introduce at home and what we could sell to them. I received a favorable impression of the possibilities of increasing our trade. Many of our manufactures could be sold and we could import much more from them. Ten years ago they

bought from us $10,775,000. Last year they bought from us $20,600,000, an increase of one hundred per cent, and I claim this is only a commencement. In 1905 we bought from them $12,658,000, and last year we bought from them $21,500,000, an increase of nearly eighty per cent.

In discussing the commerce of the Islands, we cannot separate from it the foolish talk of the independence of the natives. When Mr. Wilson was elected, this talk was renewed and as a result business was paralyzed. During the past few months it has been recovering. Any one who has been there for some time and studied the situation has generally arrived at the conclusion that they are not ready for self-government. Even with the strong guiding hand of our Government, it is no easy matter to keep them straight. The Filipino politicians are the only ones who are clamoring for independence. The real meaning of it is that they want to get their hands into the public treasury. If they ever get there it will be a much worse scramble than is going on at Sacramento. While I am on this subject I might explain the manner of government.

The municipal government is entirely Filipino. The assembly is also entirely Filipino. The commission or upper house has eight members, four Filipinos and four Americans, the Governor having the deciding vote. They have the protection of the United States army and navy. When the Americans went to the Islands there were no roads worthy of the name. Now on every island there are good automobile roads, good harbors, wharves, lighthouses and aids to navigation that are second to none in our own country. At great cost we have made it possible for every boy and girl to get an education, teaching them English so that they can communicate with each other; whereas, during the Spanish *régime,* the people of one province could not understand the dialect of the neighboring province. They never were so well off before, and probably never would be again if we left them to their fate by allowing them to govern themselves at the present time. I am sure I voice the sentiment of all true Americans, when I say that from those rich possessions we should never haul down our flag.

The Panama Canal—

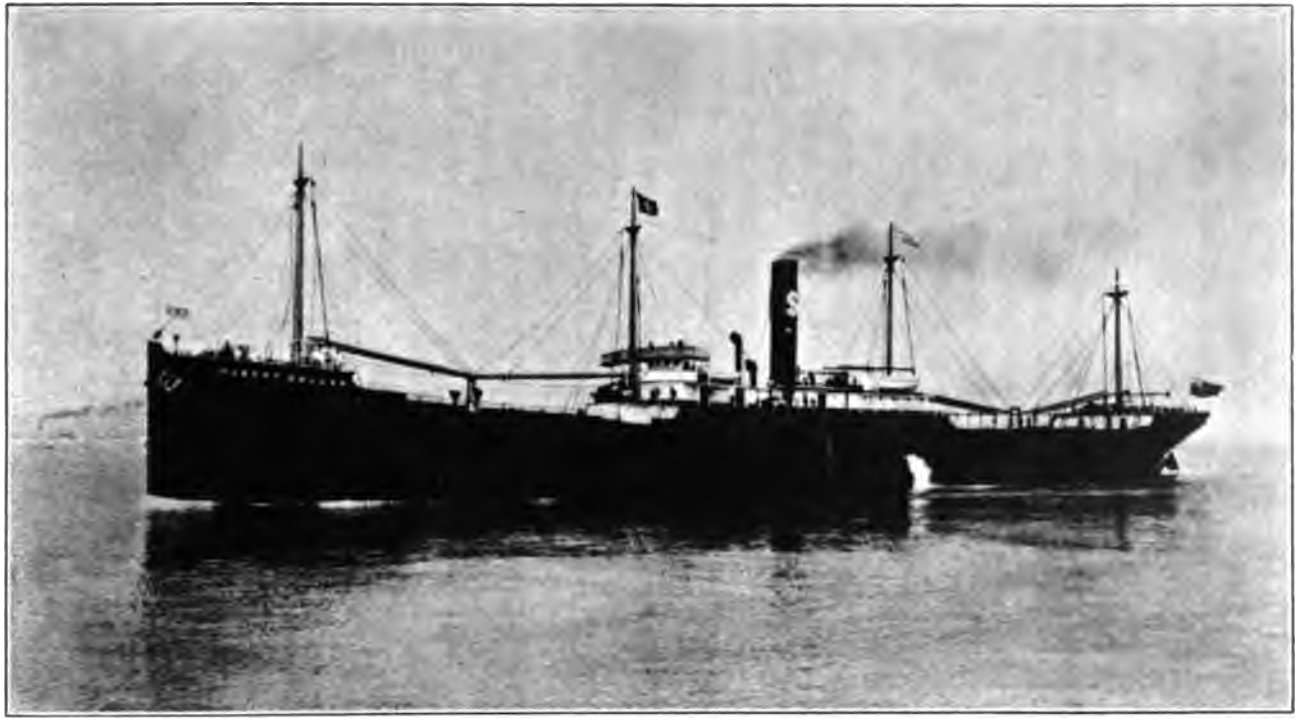
Now that the Panama Canal toll question is settled, we call the attention of Congress to the following:

By the Panama regulations as promulgated by Professor Johnson, deck loads must pay $1.20 per 100 cubic feet of space occupied on the open deck. Is this fair or just to the great lumber trade of this Pacific Coast? We, the lumbermen, think it is a gross injustice to make us pay about thirty per cent more Canal dues than are charged for any other commodity. Besides, the method used in determining the Panama tonnage gives to ships a greater tonnage than any other way of measuring. So that it may be understood, herewith is a concrete example:

The net Panama measurement of the steamer "Robert Dollar" is 4483 tons, at $1.20 per ton, amounts to $5379.60. Her deck load is measured and found to contain 137,800 cubic feet, at 100 cubic feet to the ton, amounts to 1378 tons, at $1.20 per ton amounts to $1653.60; a total of $7033.20. This cargo of lumber therefore pays $1653.60 more than any other cargo that is carried under deck. A cargo of general merchandise, coal, iron, etc., by this same steamer would pay $5379.60. The vessel carrying this cargo would be down to her Plimsoll marks, with, say 8800 tons; but carrying a cargo of lumber would not be quite down to her mark, yet has to pay $7033.20 with less cargo. This makes a rate of $1.53 per thousand feet, board measure, while the weight of the cargo would only be 6766 tons.

We expected that the Panama rates were to be made to meet competition with the Suez, and as the Suez Canal has never charged for deck loads this vessel would save $1653.60 by going through it.

One of the reasons for charging tolls on deck loads, as given by Professor Johnson, is found in his book on page 121, Sec. 4: "In certain kinds of coastwise traffic, the owners of vessels are tempted to put such large deck loads upon vessels as to endanger the safety of the ships and thus place the lives of the crew in peril." Our reply to this is that on this coast more deck loads of lumber are carried



THE STEAMSHIP "ROBERT DOLLAR"—A MODERN CARGO VESSEL

than in all the rest of the world put together; and during the past ten years, Pacific Coast lumber ships have sailed seventy-two thousand miles, carried forty billion feet of lumber, with a loss of only two million feet of lumber from excessive deck loads, and without the loss of one life from this cause. These are not college professors' theories, but cold facts, for which we have the Custom House records of this coast to prove.

The inconsistency of his arguments is better shown by referring to page 35 of his report, which reads as follows: "The necessity of classifying ocean freight traffic and of collecting tolls in accordance with a schedule which includes both class and commodity rates, suggests the controlling reason why the *ships* rather than the *cargo* should be made the basis of Panama tolls. Canal charges based on cargo would be administratively impracticable." After all his arguments in favor of not charging on the cargo, he makes a rule that in addition to charging the ship her full tonnage dues, he penalizes the lumber trade of this coast by charging additional tolls on deck loads. Using common slang, "Can you beat it?"

The American lumber trade has received some hard knocks lately. First, in removing the duty and allowing Canadian lumber to come in free; second, causing American ships in the coastwise trade to pay tolls; and, third, making all vessels carrying deck loads of lumber pay thirty per cent more tolls than any other commodity. Add to these the fact that lumber is selling below cost of production, and it is certainly not a very brilliant outlook, although in other lines of business better times seem near at hand.

As long as a ship is not loaded below her marks, she should pay the full amount of her measurement tonnage, irrespective of whether she is loaded with feathers or pig iron, and when such ships pays $5379.60, it should make no difference to the Canal Company whether part of her cargo is on deck or not.

The importance of the lumber industry on the Pacific Coast can be better understood when it is stated that it gives employment to more men than any other industry on the

coast. It would seem as though it would only be necessary to call these facts to the attention of the proper authorities to have this discrimination in the charge for deck loads removed. The lumbermen desire to pay as much as other commodities are paying—but no more.

In May, 1914, I made a trip to Washington, D. C., to attend the Foreign Trade Council which was inaugurated there, and was selected as one of the Councilors.

It was in July of this year that the European War commenced. Its effects throughout the world were instantaneous. The Dollar Company had ships in many ports, which were forced to tie up, and the foreign commerce of the United States came to a sudden stop. So much so that on the 9th of August I was summoned to Washington to attend a meeting of fifty men called by President Wilson, who desired to know what could be done to restore the foreign trade of the country, as it had come to a standstill.

A committee was appointed to draft an Emergency Shipping Bill, to be placed before Congress, for the purpose of starting our commerce going again. Those on the committee were James Farrell, Bernard N. Baker, Philip A. S. Franklin and Robert Dollar. These were momentous times, and much to my surprise I was thrust to the front, amongst the giants of finance, transportation and banking. Our work was accomplished in three days, during which time there was not much sleep, but when the work was completed I left for home and was back in San Francisco after the lapse of only seventeen days. Into that short time was probably crowded more and greater events than in many months before. Congress passed the bill we framed without discussion or change.

We made another trip to the Orient the latter part of 1914 and early part of 1915. This visit, like others, was strictly on business. I did not stop off in Japan on account of having water on the knee, and it was only with great difficulty that I could get around; in fact, my leg was in a plaster cast. I remained in Shanghai until after Christmas, during which time many prominent Chinese called to see me.

We arrived in Hong Kong on the steamer "Mackinaw," which had a cargo of peanuts loaded in Chinkiang for

Canton. To those not engaged in shipping, it probably seems like a fairy tale that a large steamer should load a full cargo of peanuts from one port for another port in the same country.

I remained three weeks in Hong Kong, attending to business and learning to walk again, and also made many calls on British and Chinese, but on account of the war great changes had taken place. The entrance to the harbor had been mined, and the city was under military rule. All Germans had been arrested and placed in a detention enclosure at Kowloon, with a regiment of Indians guarding them. Their families were in a large tenement house, and their palatial residences locked up and their business in the hands of receivers appointed by the Government. As they had been doing more than half the business of Hong Kong, business was much depressed and disorganized. What a terrible backset the German business has received by this war! It will take them many years to get back to where they were, inasmuch as they had been going ahead by leaps and bounds for several years before the war. It is certainly a calamity to the merchants, exceeded only by the war itself. The great foreign commerce of Germany has got a set back that will take years to recover—their colonies all gone, and their competitors have taken their places. This will be keenly felt after hostilities cease, and shows the folly of having military rulers, and the necessity of taking power out of their hands in every country.

I visited Canton, and renewed acquaintance with many Chinese and foreigners whom I had known. The war disturbances and political influences have also had a serious effect on business here.

We crossed over to Manila on the steamer "Bessie Dollar," which finished loading there for San Francisco. On arrival, we found the steamer "Robert Dollar" discharging a cargo of coal that the Germans attempted to force us to deliver to their fleet, then near Falkland Islands, but as our charter called for Batavia or Manila we insisted on our rights and the cargo was discharged at Manila. This was the subject for an article by Peter B. Kyne, in the Saturday Evening

Post, entitled "Ireland Uber Alles." The "Robert Dollar" loaded a general cargo, and we returned to Hong Kong on her. Business on the islands is good. As they are neutral they were not affected by the war except in the excessively high freight rates.

Just before we sailed, the Board of Trade gave Dr. Wu Ting Fang and myself a luncheon at the Manila Hotel, which was one of the largest gatherings of merchants that had been held in Manila for a long time. Governor Harrison was present. Both Wu and myself had a very enthusiastic and hearty reception, of which account the following appeared in the Manila papers:

"The Chairman, Chief Justice Johnson, in introducing the speakers, said:

"By co-operation with the United States Chamber of Commerce through the Manila Merchants' Association and Captain Robert Dollar, in the expansion of the trade between the Americans and the Orient; by the letting down of the bars against Chinese labor in the Philippines, to enable these islands to develop to the fullness of their resources, by the importation of two million or so argriculturists from the neighbor's republic, and by an alliance of friendship and mutual confidence, for the development of trade, between China and the Philippines, consummated by Dr. Wu Ting Fang, these islands are shortly going to be made to produce enough to support a population of fifty million people; the Dollar line steamships will bring cargoes of silver and gold to these shores, departing deeply laden with the fruits of the Philippine soil, and this much-depressed commercial community is to be lifted out of the rut to ride buoyantly on the crest of the great wave of prosperity that is destined to roll in as a result of the big confab between China's eldest statesman, the maritime magnate from the homeland, and local dignitaries at the Manila Hotel yesterday afternoon.

"The luncheon tendered Dr. Wu Ting Fang and Captain Dollar yesterday was the biggest boost function held here in a long time, and was attended by about 250 local business men, including a number of Government officials.

"Justice Johnson spoke of Captain Dollar's interest in the physical development of the Philippine Islands, and turning to Captain Dollar, said: 'Let us hope that your ships will bring tons of dollars and take out full cargoes of products from here.' * * *

"When applause had subsided Mr. Pitt arose, and in his introductory remarks leading up to the presentation of Captain Dollar, said:

" 'The lifeblood of civilization is commerce, and the great essential of commercial development is transportation. Associated with the wonderful worldwide development in transportation and commerce that has marked the past 50 years is the name of Robert Dollar.

" 'Gentlemen, it is a great honor to present Captain Robert Dollar.'

"Captain Dollar expressed thorough appreciation of the great turnout of Manila business men to do honor to Dr. Wu and himself, and then launched out on the proposed development of the commerce of the Pacific. He spoke of the enormous amount of ocean traffic in the Atlantic, and said: 'I don't know whether you gentlemen appreciate the magnitude of it, but the center of the commerce of the world is coming to the Pacific. There are men in this room who will live to see more commerce on the Pacific than on the Atlantic. That is a big statement to make.'

"Taking up the subject of shipping he said that Congress had legislated the American merchant marine off the ocean, and then told something about the laws which were passed three years ago permitting a foreign built ship to fly the American flag, but he declared that any man, no matter how much money he might have, who undertook to operate ships under the Stars and Stripes, would become bankrupt if he stuck to it long enough. Here he explained that the difficulty at the outbreak of the European war was not so much lack of ships as it was the financial situation. 'Bills of exchange,' he said, 'are chiefly negotiated through London, and when the moratorium was declared everything was tied up for a time.'

"Captain Dollar next spoke of the Emergency Bill, which was passed to enable foreign vessels to take the American flag, provided they passed into American ownership through *bona fide* purchase. Such vessels, he explained, can now operate under the same conditions as under the former foreign flag. The government of the United States, he said, was disappointed at the small number of vessels transferred under the new law, which was passed for a period of only two years. He told of a conference with President Wilson at which the shipowners asked, 'What are you going to do after the two years?'

" 'I said to the President,' the pioneer skipper declared, 'we don't ask for any advantage over the foreign ships, but we demand to be put on an equality, or we won't play in your backyard. There are nearly 2,500,000 gross tons of American owned ships now flying foreign flags,' the Captain asserted, 'which would make a nucleus for an American merchant marine if the laws would permit them to operate economically to meet the foreign competition.' Here he explained that the expense of operating a vessel under the American flag was about three times as great as under other register.

"He touched on the La Follette Bill, which, he said, was aimed principally to put the Pacific Mail Company out of business. This bill, he explained, would make it compulsory for the crew of an American ship to be of the same nationality as the officers, who are required to be American. The competitors of the Pacific Mail, he explained, were the Japanese, the Toyo Kisen Kaisha line being the chief one. Those ships were exempt from the Seamen's Act.

"As to the Ship Purchase Bill, now in Congress, the Captain said the Government could of course operate vessels cheaper than private owners and would compete with private owned ships, if there were any, but as there were practically no private owned ships flying the American flag the passage of the bill could not hurt anybody.

"At this juncture, the maritime magnate took an optimistic turn in his speech, and referring to finance, said: 'The meat in the cocoanut in banking is confidence. Uncertainty

and lack of confidence,' he declared, 'were the most serious drawbacks to business.' Here he assured the assembled merchants that they now had every reason to be optimistic. He told them of President Wilson's assurance that the big business interests of the country need have no further fear from the legislators.

" 'I want to say to you,' the Captain exclaimed, 'the worst has been done. Go ahead without thinking what is going to happen next.' He dwelt at some length on the subject of confidence as the mainstay of business, and referred to China, where commercial paper is not much in use. 'When a Chinaman says "can do," ' Captain Dollar declared, 'that settles it, and don't you forget it.'

"In the United States, he asserted, the situation has been relieved, and the big business interests have started a reconstruction on confidence. To illustrate the necessity for confidence, he pointed out that, although the United States was at peace with the world at the outbreak of the European war, yet a war tax to raise one hundred million dollars had to be levied, showing the interdependence of nations these days.

"Here Captain Dollar turned to the subject of Philippine progress, comparing the unsanitary conditions that met his eyes on former visits here with the present appearance of the city and outlying districts. In trips about the harbor and along the coast, Captain Dollar observed, he said, greater aids to navigation than anywhere in the United States. As to land transportation facilities, he said, 'When I was here before, there were no roads, just mud; that is all you could call it. Now you can go anywhere comfortably by automobile.'

" 'I tell you to relieve the despondency that exists here,' he said. 'A little over thirty years ago there were only five steamers running across the Pacific. Now one Pacific Mail liner could take all that those five could carry, in one load. What will the progress be in the next thirty years?'

"At this point he took up the subject of the campaign now being waged by the United States Chamber of Commerce and the Foreign Trade Council, to promote closer co-operation between the commercial interests of the countries

bordering on the Pacific. 'I tried to get them to come here,' he said, 'and urged that President Pitt of the Merchants' Association continue to engage the attention of the national commercial organization in the States, with a view to the speedy development of the trade with the Orient.' He told of the campaign now being conducted in the South American republics, how the people down there had no money to buy raw material to sell, and how new industries were developing in the States to handle the raw products of the South American customers for American manufactured goods—industries that never existed in the United States before.

" 'Efforts are being made,' the Captain said, 'to establish a discount market for foreign exchange so that, in case of future emergencies, the commercial interests in San Francisco and New York will have the facilities which were lacking in the recent emergency.' The Captain concluded by explaining that the object of the United States Chamber of Commerce was to get the merchants together. 'Great results are attained from unity,' he exclaimed, 'and co-operation is very necessary. All that is needed now is confidence. We have reached the bottom, and we are going to go up."

As the steamer "Robert Dollar" was waiting for us, we left the hotel and went directly on board, to sail immediately for Hong Kong, en route to Shanghai.

I found that much dissatisfaction existed among the merchants on account of the continued turmoil that bobs up every now and then about independence. Now the Jones' Bill is before the House, to give the Philippines immediate independence, although any one knows, who is at all familiar with the natives, that they are utterly unable to carry on a separate government, and should our soldiers be recalled, another nation would immediately take possession.

We returned to Shanghai and paid a visit to Hankow, arranging to materially increase our business and to buy quite a large piece of land for a lumber yard in the center of the foreign concessions. I am fully convinced of the great future of this center of population, situated as it is on the crossroads of the railroad system of China.

OFFICE OF THE ROBERT DOLLAR COMPANY—TIENTSIN

We (when I use the plural "We" I mean that I am always accompanied by my faithful companion and counselor, my wife) next visited our business interests in Tientsin.

Our firm is now well established, owning a city block on the river front and in the center of the city, an office and a comfortable house, a place we can call home. Our business has been increasing in a very satisfactory manner.

I visited many of the prominent Chinese, and was entertained by them. We were here in January, when the weather was very cold, the thermometer often falling below zero; there is not much business doing until March, when it opens in full swing.

We next visited Peking. I was agreeably surprised with our Minister, Mr. Reanch. Being a college professor, I expected to find him academic and not interested in commerce, but I found him a worker, ready and willing to assist in commercial matters as if he had been a business man all his life.

I met several members of the Cabinet, but as the Japanese controversy was at its height and they were having conferences every day, I did not trouble the President. I had an invitation to lunch with Li Yuen Hung, the Vice-President, and spent an interesting two hours alone with him. We met in the house that he occupies, which formerly was the residence of the late Emperor. I was shown the Emperor's bedroom, which is kept just as he left it. The house is on a point of land on one of the lakes in the Forbidden City, with a narrow neck of land connecting it to the shore, and is therefore easily guarded. (Vice-President Li is now President on account of the untimely death of Yuan.) Our conversation was mostly on foreign affairs. He was anxious to know of the affairs of the world, in general, and of the United States, in particular. He has a great admiration for our country and has been tracing its wonderful advancement of the last one hundred years, and hopes that the advancement of China will be equal to ours. He is a great and good man, and I hope he may be able to carry out his high ideals of a united and progressive China. On

his assuming the Presidency, I had a very friendly complimentary telegram from him.

I had an interesting visit with Liang Shoi Yei, who was said to be the power behind the throne. The subject discussed was the development of the Yangtsze valley trade. I also had a pleasant visit with Dr. Morrison—that stalwart British adviser to the President, and probably the best living authority on Chinese politics. He is the right man in the right place. Another pleasant call was on Mr. Collins, the representative of the British Anglo-French Corporation, of which I am a director. He is also manager in China for the China Mining & Metal Company.

I also spent a pleasant and profitable week calling on and renewing old acquaintances in this city. The weather was intensely cold. We had a snow storm and a dust storm, so we got about all that Peking had to give, even the extremes of the weather.

I had two very pleasant visits and a luncheon with Chang Chien, the Minister of Commerce, and arranged with him about the return visit of the Chinese Chambers of Commerce, to supplement that which we made in 1910. He was working hard to get representative men to go. It was arranged that they would come on the steamer that I had decided to voyage home on. We returned to Tientsin for a couple of days, then went back to Shanghai, where it was very much warmer. At Shanghai, we had several banquets and farewell entertainments, and a great number of the merchants came to see us off on the boat.

Just before leaving, I addressed the Saturday Club, of which the following is a newspaper report:

"American shipowners have been accused of lack of enterprise in not having ships in the foreign trade. I will endeavor to tell you that they are not to blame, and also to show you who is responsible for the present condition. Inasmuch as I operate vessels under both the British and American flags, I have the cost of operating each, from data on my books.

"In 1862 the tonnage of the ships under American registry exceeded that of any other nation. In China, previous to this, more than fifty per cent of the carrying trade was in American bottoms. The trade of the Yangtsze was opened by American steamers, whereas, now, there are no American ships there.

"The statement published in the China Press of yesterday, which was copied from the New York Sun, was written by myself and is correct. It was that an 8000-ton steamer costs $17,236 more per annum to operate than a ship of the same size of any other nation.

"Boiler inspection, and inspection requirements are so drastic that it increases the operating cost materially, and to cap the climax, the Seamans' Bill has just become a law, which, unless modified, will absolutely prohibit the Pacific Mail from operating and make it easier for all Japanese ships.

"I have information from Manila that the agents of the Pacific Mail have received orders not to book any freight or passengers after September, when the law will come into force. Is it any wonder that the American flag has disappeared from merchant ships on the ocean?

"Then the European war came on us like a thunder bolt out of a clear sky. The result was a complete tie-up of all American foreign trade, and for three weeks practically none of our products left our shores. At that our people woke up (they had been sound asleep before) to the fact that we had no American banking facilities in foreign lands, no American ships to carry our commerce, and we had just started to market the biggest crop we ever had. Then came a cry from every part of the country that we must have ships, so President Wilson called fifty business men of the country to advise with him as to what was to be done. The result was, American citizens were allowed to register foreign-built ships to engage in foreign trade only. Up to the present, something over five hundred thousand net register tons of shipping has changed to American register. Most of it had been owned by Americans, but by our laws were not allowed to fly the American flag. At that time

over two and a half million gross tons of ships were owned by Americans, and were flying British and other flags.

"I consider it an international misfortune that one of the largest nations of the world should have no ships. The allies were certainly of that opinion when they required supplies from America, and there were no American ships to carry them, with German cruisers menacing their ships; whereas if there had been American ships the commerce of the Atlantic would not have been paralyzed as it was.

"What would be the condition in the world of commerce today if both sides were able to keep plenty of commerce destroyers on the oceans?

"Many more ships would have come under the American flag had it not been for the uncertainty as to what Congress would do in the way of changing our laws. After all the talk and excitement of wanting a merchant marine, not a single effort has been made to permanently change our laws so as to enable us to operate our ships on as favorable terms as our competitors; and, as the new temporary measure is only a makeshift for two years, if our laws are not changed, all the vessels that have come under the flag will be compelled to return to their former register, because it is a financial impossibility, under normal conditions, for any ship to be operated under the stringent American regulations. The prospects of again seeing American ships engage in foreign trade, in the proportion that a country of the importance of the United States would warrant, are still very remote, or to put it in plain English, the United States must enact laws permitting her citizens to operate their ships on the same terms and conditions as the ships of all other nations, or their citizens will be compelled to put their ships under foreign flags.

"To give you an idea of the lack of support given to our ships by our Government: The mail contract was awarded to Japanese ships to carry the mail from San Francisco to Honolulu, although there are several American vessels running on that route.

"All this has reference only to the vessels engaged in foreign trade, as those engaged in coastwise trade are pro-

HONORARY CHINESE COMMISSION TO THE UNITED STATES—1915

tected against foreign competition, and are enabled to make 'The dear American public' pay for the excessive cost of operating.

"All the American shipowners ask is to be permitted to buy their ships where they can get them cheapest, and to be permitted to operate them on the same terms and conditions as their competitors. They ask no advantage or preference. If this is granted they will feel able to give the nation a merchant marine worthy of the name."

We sailed from Shanghai, on the 9th of April, on the steamer "Manchuria," with eighteen Chinese Commissioners in the party. I left the ship at Kobe and went to Tokio to have a conference with the officials of the Japanese Chamber of Commerce there, and called at the American Embassy to see Ambassador Guthrie and found he was all ready to depart for America. He and Mrs. Guthrie came over with us on the same steamer, which made it very pleasant.

We arrived in Honolulu on the 26th of April, 1915. The Chamber of Commerce there gave us a banquet, and we had a very pleasant time, the principal merchants of Honolulu being present.

On the way over, I had a number of conferences with the Chinese Commissioners, which took up several hours for many days as they were endeavoring to find out what they might expect to learn on their visit to America.

We arrived in San Francisco on the 3rd of May, where the Commissioners were tendered a hearty reception by representative men of the city and members of the United States Government. The official report of the reception follows:

The Honorary Commercial Commissioners of China arrived at San Francisco on the Pacific Mail liner "Manchuria" at 5:10 o'clock the afternoon of May 3. A committee of representatives of the National, State and City Government boarded the steamer at quarantine and were received on the promenade deck by President Cheng-Hsun Chang of the Commission. J. O. Davis, Collector of the Port, extended a welcome to the Commissioners on behalf

of President Wilson; President W. N. Moore and Vice-Presidents Frederick J. Koster and Robert Newton Lynch of the San Francisco Chamber of Commerce; Hon. Chester Rowell on behalf of Governor Johnson, and Mayor James Rolph on behalf of the City of San Francisco. When the liner docked, Judge Thomas Burke, President of the Associated Chambers of Commerce of the Pacific Coast, under whose auspices the tour was made, and C. B. Yandell, Executive Secretary of the Seattle Chamber of Commerce and Chairman of the Committee on Arrangements for the Associated Chambers, boarded the steamer and took charge of the visitors, who were presented to a reception committee consisting of Edward T. Williams, head of the Bureau of Far Eastern Affairs, Department of State; E. C. Porter, representative of the Department of Commerce; Commissioner General Anthony Caminetti, Department of Labor; Commissioner Samuel W. Backus, Bureau of Immigration.

They were given as much, perhaps more, entertainment than they could stand. On account of the pending trouble with Japan and a telegram stating that war was inevitable, the party thought best to abandon the tour and return. But by an extraordinary effort on my part, after a long and confidential conference of three hours, I persuaded them that they must go through with the itinerary that was laid out. I assured them that the Japanese demands would be modified so as to avert war, and to cap the climax, before I had finished my appeal, a cable from China was handed in, stating that a settlement had been arrived at.

The reception accorded the Commission could probably be summed up by the remark of the Mayor of New York City, that he never had seen such a hearty reception given to any foreign visitors. The climax was reached in that city, where the plans were carried out to perfection, and nothing was left undone for the comfort and pleasure of the visitors.

The result of this visit has been a decided and tangible increase in American trade, and, through conferences with the merchants of twenty-six cities, has produced a feeling

of friendship (which is the forerunner of commerce) that will never be forgotten. The visitors traveled 10,392 miles, had forty-three banquets, and, best of all, visited two hundred and forty-three factories.

Those of us who have given our time and money have certainly been repaid over and over again by the beneficial results to our commerce and more especially by the increased friendship that now exists between the two countries.

The following is my report to the Associated Chambers of Commerce:

That the visit of the Chinese Commission to America was a great success is admitted by all. The large cities vied with each other in entertaining them until they reached New York, when the climax was reached. The arrangements and the order in which the program was carried out was perfection itself. One of the big merchants told me no foreign party of merchants had ever received so hearty a reception as this party. As to the results commercially, I know of several large transactions that have been consummated, both in selling and especially in buying. A steamship line and a large banking enterprise are about to be established. Such visits produce a much greater friendship between nations, and in this particular visit this very desirable condition has been fostered and much increased. For the future, we can confidently look forward to an increased friendship which naturally will enable us to increase our commerce to this country that is destined to show by far the greatest development of any part of the world; and, if Congress would only permit our citizens to operate American ships between China and America, we certainly would get our fair share of this tremendous increase. As, by an Act of Congress, the entire control of the Pacific has been completely turned over to the Japanese who are to be our most active competitors, the situation as far as Americans are concerned is discouraging in the extreme. This is especially to be regretted, for the Chinese are most friendly to us and certainly treat us as a most favored nation, so if we don't get a big share of their business it will be on account of

our own restrictive legislation, and not on account of the Chinese.

In 1915 Mrs. Dollar and I presented to the Presbyterian church of San Rafael a set of chimes, which were installed in the belfry and added greatly to the attraction of the town. The gift was appreciated by the citizens, as old familiar tunes are played every Sunday. There are ten bells in the set, and on the largest is the inscription: "Presented to the First Presbyterian Church of San Rafael, California, by Mr. and Mrs. Robert Dollar."

Chapter Twenty-one

1916—A BUSY YEAR

The year 1916 opened on us with all the trials and tribulations caused by the war. Our greatest difficulty is that we don't know how to arrange our business, as changes are continually occurring. We were fortunate enough to buy a cargo steamer of over seven thousand tons for $500,000, a price two and a half times her normal value, but she cleared half of her purchase price the first trip, and before the year was up had paid for herself.

On the 22nd of January, a party of us left for New Orleans, to attend the annual meeting of the Foreign Trade Council. When we arrived at Los Angeles, we were informed that three miles of the Southern Pacific track had been washed out and no trains would go through for a week. Through the kindness of the president and vice-president of the Santa Fe Railway, our car was taken by that road, and, at considerable expense, they got us into New Orleans but one hour before the meeting commenced.

Mr. E. Sweet, Vice-Secretary of Commerce, delivered the address on the American merchant marine, to which I was asked to reply. The large hall was packed full even to standing room. When I had finished speaking I received a most enthusiastic reception—in fact, I have never seen a speaker receive such an ovation. The following is the stenographer's report of my remarks:

ADDRESS OF ROBERT DOLLAR BEFORE FOREIGN TRADE COUNCIL ON "DEVELOPMENT OF A NATIONAL SHIPPING POLICY"

Mr. Chairman and Gentlemen: You have heard that what we need is a merchant marine owned and operated by the Government. Now, Mr. Sweet has said that he differed with me, and I am very glad he did, for if we all agreed we would be men of putty, and it would not be necessary

for me to get up and talk at all; all I would have to say is, "That's right—what he says." I do not propose to say that what he said is just right.

In discussing this subject, it is necessary for us to look at it from a broad viewpoint. First of all, it is very, very interesting to us who are engaged in the foreign trade. My interests are more in foreign trade than in shipping, though you are led to believe that my interests are more in shipping. But to see an audience such as this interested in foreign trade is encouraging to us in the extreme, and I want to say to you gentlemen that we have a good many things to discourage us. You see the movement that has been made in South America by the establishment of banks. Previous to this, when we had bills of exchange to sell or buy, they came through foreign banks. Officers of foreign banks are human. They are men of their own nationality, and blood is thicker than water, and it is quite natural for them to give the tip to the other fellow as to what we are doing. I have got a tip myself, so I know what I am talking about! (Laughter.)

The American International Corporation is another step in the right direction. You were told here yesterday the great difficulty about us being able to sell our products on account of the money having been loaned by foreign nations, and they favored their nationality. Another illustration that "blood is thicker than water." Another encouragement in the midst of our discouragement, was that the American International Corporation bought out the ships of the Pacific Mail that remained on the Pacific, and continued the trade from the Pacific Coast to South and Central America. Those ships were on the eve of being sold; in fact, I don't think that the corporation got in more than a few minutes ahead of the other party. If those ships had been sold, it was the intention to divide them and they would have gone hither and thither, and our Pacific Coast would have been without any commercial communication with South and Central America. That was another encouraging sign.

Now, then, in discussing this merchant marine, it is not a question of the shippers themselves. The people who are

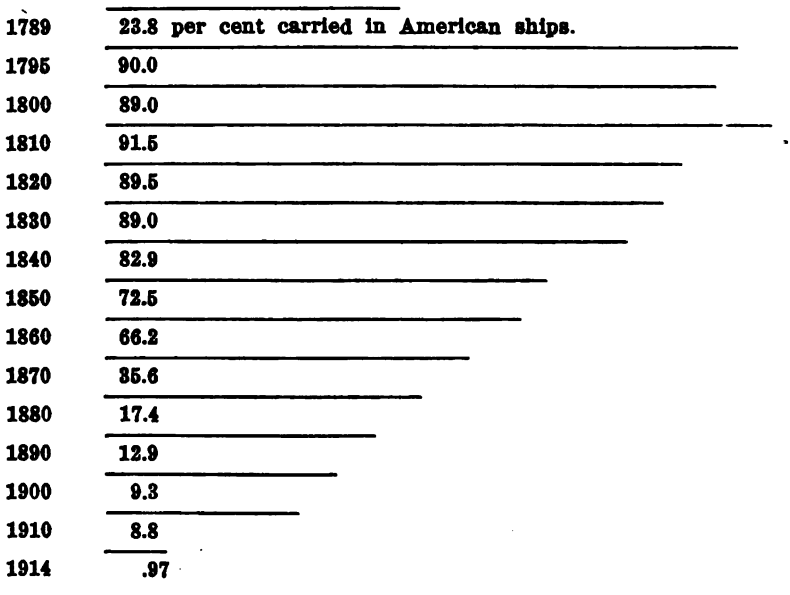
interested are many; the whole of you—there is not a gentleman in this room who is not interested in the shipping business, indirectly, of course. Here are the farmers and the manufacturers. How are they going to ship their products to foreign markets if there are not ships? Here are bankers. What are the bankers going to do if there is no foreign trade—those who are dependent on that? Then, there are the merchants who are doing business in foreign countries who buy our products here and sell them in the foreign countries; and then, last of all, are the ships. What will the ships do if we have not the bankers?

Mr. Sweet said that our commerce was absolutely tied up at the commencement of the war because we did not have ships. I take a different view from that. What tied up our ships was the lack of banking facilities. A moratorium had been declared practically throughout the world, and hundreds of ships were left loaded and lying in harbors at that time. Merchants dared not send them out because they could not sell their bills of exchange. They dared not send their ships to foreign countries, for they did not know whether they could get their money out of them, and for more than two weeks our ships were tied up, until a meeting was held in Washington, when the great magnanimity of our bankers permitted us to start in business again—they taking the responsibility. Otherwise, the ships would have been held up indefinitely. (Applause.)

Now as to the help or detriment that Congress gives us. I happened to get a telegram, sent to me here, that really did not pertain to this organization at all. It is a private telegram. It reads this way, and it is pertinent—I hope that you gentlemen will see that we have got to be friendly with the nations that we are doing business with. You can catch a great many more flies with molasses, you know, than with vinegar. It reads this way: "Senator Lodge in the Senate and Mr. Burnett in the House have introduced bills requiring all Chinese in America to register within one year; making failure to register a crime punishable by several years imprisonment. Mr. Raker also introduces a bill directly against all Asiatics."

Now, what is the meaning of that? It means that, when I go over to China—many of our Americans are over there—that if we put the Chinese in jail here, they can put us in jail over there, and will make an end of our foreign trade with China. It is humiliating in the extreme, gentlemen, for me to land in this country, coming from China—I have made many trips from there—to see Chinese gentlemen and Chinese ladies, just as good as any one in this room here, fired over to Angel Island and subjected to all kinds of indignities, and when I go to China with my wife, we walk ashore the same as if we were privileged individuals. Is that right? Why shouldn't we go to an Angel Island over in China, just as logically as we send them to our Angel Island here?

Now, as to the condition of the American Merchant Marine, and the reasons why the United States should have it enlarged to correspond with importance in the world.



This chart was gotten up by Mr. Ross, and has been reproduced here. These bars are ten-year intervals. You see that this is 1795 and this is 1800. (Indicating.) You

see that we reached our maximum along here. (Indicating on the chart.) Here we were carrying 91.5 per cent. of our products to foreign countries; then down here, we got down to the time of the Civil War, when this drop took place here. Then, by the great wisdom of Congress, the drop continued right down. (Laughter.) And I want to tell you, gentlemen, that along here we not only had the most ships and the most tonnage of any nation in the world, but we had by all odds the very best ships afloat. When the decline took place we were the rivals of Great Britain. They started in to build iron ships. We continued with wooden ships, because we had no encouragement—in fact, nothing but discouragement. From this line here, to this line here, (pointing to 1860 and 1914), that all means discouragement. (Laughter.) To this up here. (indicating 1810) that was all encouragement; you see how it went up?

Now, by the Canal Act, we were permitted to import ships into this country free of duty, and it has been constantly thrown at us that not a single ship accepted the permission. Well, the reason is very easy to explain. If we imported those ships we would have to go into foreign trade with them, and we would be in competition with the ships of the whole world; with ships of nations whose laws were the most favorable that human mind could devise, while ours were just the reverse. So, any man that imported a ship and put her into the foreign trade and operated her under the American flag was sure to make debt, and it was only a question of how much money he had until he would go into bankruptcy. (Applause.) That has always been concealed by the politicians and others who are talking for effect. They say, "You don't put any ships under the American flag; therefore, you have not the enterprise and the get-up to do it." That is a falsehood; it is not right, because before this war, American citizens had more than two million gross tons of shipping, entirely owned and successfully operated by American citizens, and were flying foreign flags on those two million tons. Now, does it not stand to reason that, if our laws were as favorable as the laws of those foreign

nations under whose flag they were operating, we would be able to operate those ships under our own flag? And there is not a shipowner who would not rather use his own flag than the flag of another nation. I always feel, gentlemen, in doing business under the other flag, like the man who is doing business in his wife's name. (Applause and laughter.)

I am not going to bother you with all the handicaps under which we labor. It would take me about the rest of the day to tell about the handicaps that produced these very things. Others are going to tell you about them, so I am relieved of that subject. A good many people think that we are cramped for want of ships and tonnage; that it is local and that it only pertains to some parts of the United States. It is general and the shortage of tonnage is throughout the whole world, and I have looked over the conditions throughout the whole world many, many times in the last few months, but I cannot find a single place that is any worse off than any other. They are all alike. It is a question of supply and demand. The supply is far, far short of the actual demand, and you gentlemen know that whenever you have a commodity for which there is far, far more demand than the quantity available, what the result is. The price goes up. There is none of you who is shy about playing a trick of that kind. (Laughter.) So we are not being discriminated against. Therefore you gentlemen appreciate the situation that you are in. I happen to own some British ships. The British Government has notified me that when I want to charter my ship, or send her from one port to another, I must get permission from the Government to do it. Suppose the British Government got at outs with this country and said: "You can't carry any cargoes here; you have got to go elsewhere." You can readily see the position our commerce would get into if this were done. Then you would appreciate the advantage of our having ships under our flag.

This is something that reminds me of the American and the Englishman, who were arguing about the relative greatness of our two countries. The Englishman did up the American, and the latter had nothing to say. As a parting

shot, he said: "If you don't look out, we will stop this Gulf Stream from going over there, and we will freeze out the whole lot of you." So, it would be very easy for Great Britain, or one of the big nations, to freeze us out, consequently we had better stay quiet and not say too much about it.

A million and three-quarter tons of shipping have been sunk since the war. All of the German and Austrian ships are interned, and England and France have commandeered over two thousand ships, so you can see the reason why the shortage has occurred. It is quite apparent to any one. The war has not decreased the amount of tonnage that had to be moved in the world. In fact, I think it has increased it somewhat. In some lines it has decreased but there is more tonnage to be moved now than before, hence it is impossible for the ships to get around to do it. Now, we were told last year that, if this Ship Purchase Bill went through, we would immediately get ships. Every ship cleared in these United States is full to its capacity, and I defy any man, the Government included, to get any ships built inside of two years. (Applause.) Now, that's the relief that you are going to get by the Government building its ships. It cannot do an impossibility, and we all know that it cannot build them in our yards, as the yards are full to their capacity, and will be for two years; and we all know that the laws of the great nations have recently been changed so as to prohibit the sale of vessels to any other nation. You cannot go out and buy ships and bring them in here now. Each nation wants to keep the ships it has in case its merchant marine becomes depleted.

Now, what is going to happen after the war? That, I think, no man can tell. That the bottom is going to come out of freights I don't think there is any question. Other people may have a different opinion from that, but what I am banking on is, that when all the German and Austrian fleets are released—and probably half of the transports will be released after the war—there is not going to be cargo enough available, and you will see the biggest crash in freights that you ever saw. We have gained 583,000 tons

under the Emergency Act, and, in all, we now have about 1,700,000 tons engaged in foreign shipping, which is a great deal more than we had four years ago. We then had about half a million tons engaged in foreign shipping. That increase has been caused by the half million tons that did come in, and then the exigencies of the case were so extreme that old ships, which had been condemned, have been fitted out and are now engaged in the foreign trade. Of all the ships they are building today, there are only forty cargo ships building in the United States, and cargo steamers are what we want. The yards are full, building other kinds of steamers, but it is the cargo steamers that are going to relieve you gentlemen. Of the fleet of Great Britain, two-thirds of all their ships are cargo boats, and that is what has given Great Britain control of the markets of the world, and we have only forty such vessels on the stocks, and two-thirds of the ships that have been built in our yards—fine, big ships—have gone under the Norwegian flag.

Now, the Emergency Act of 1914 gave us great encouragement. I said to myself: "The end has come; now we are going to get a merchant marine," and as I had occasion to go to China, I went away quite happy. I was not happy very long, however, when the Seamen's Bill came down on us like a flash out of a clear sky. (Laughter.) The Seamen's Bill was drafted to aid American sailors—the very title of the bill tells you that. (Laughter.)

I have some statistics here that I just received from San Francisco. The seamen there all have to take out certificates. There were 2064 who took out certificates in San Francisco up to last week; of these, 168 were Americans, 345 were naturalized citizens, and 1551 were aliens. I will give it to you in percentages because I want you to put the figures in your pocket and remember them. There are eight per cent of these seamen American citizens. That's what all this trouble is about, this bill to protect this eight per cent. Seventeen per cent were naturalized, and seventy-five per cent were foreigners. All this dislocation of business was caused to help this poor eight per cent of American citizens!

Then this bill did not take into consideration the officers of the ships. They were entirely disregarded; this was for seamen. Now, you gentlemen in business know what it is to have men at the head of your business. These men were ignored. Take the Pacific Mail owners. They employed American officers, American engineers, quartermasters, etc., totaling quite a large number; but, because they employed Chinese crews, they had to get out of business; and these American officers, who had their homes in San Francisco and lived there, prosperous men, had to seek other employment, because, today, the officers on ships coming into San Francisco are Japanese citizens, every man. I do not see why our officers, who by our laws must be American citizens, should not have been given a little consideration as well as the eight per cent of the sailor American citizens. However, it is the law of the land, and we have to put up with it.

The only criticism I have to make about it is that it is unfortunate that the Government was not strong enough and big enough to enforce that law to the absolute letter and made us toe the mark one and all without compunction. If it had done that, today gentlemen, there would not be any Seamen's Bill, because one-half of the ships in American ports seeking clearance would have been denied clearance, and there would have been such a howl set up by you gentlemen that there would have been no Seamen's Bill.

We have another diagram here which is very instructive. The upper line represents the Japanese tonnage just before the Seamen's Bill went into effect. The third line shows the Japanese tonnage in November, 1915, a year after; if any of you have a spyglass, try to see the American tonnage at this latter date (laughter and applause), and I think after another month or two you will have to have a magnifying glass to find any American tonnage.

Statement of Increase in Japanese and Disappearance of American Steam Vessels Engaged in Oriental Commerce on the Pacific Ocean:

Number of vessels November, 1914: Japanese, 22; American, 6. Net tonnage of vessels, same date: Japanese, 89,932 tons; American, 45,315.

(This was *before* the Seamen's Bill became effective.)

Number of vessels, November, 1915: Japanese, 42: American 1. Net tonnage, same date, Japanese, 141,262 tons; American, 3186.

(This was *after* the Seamen's Bill became effective.)

Now, Mr. Chairman, rap on the table when my time is up, because I am interested in this subject, and I may go on too long. (Laughter and applause.) Now, then, by this act of Congress the Japanese have gained complete control of the Pacific. I have heard of their hopes and ambitions for many years. But none of them expected to live to see this. They have said, "The day is coming when the Japanese nation is going to get control of the Pacific," and the Japanese, like ourselves, think that the great traffic of the world is going to be transferred from the Atlantic to the Pacific, just as sure as it was transferred from the Mediterranean to the Atlantic.

When I was in Japan this last time, the shipowners of Japan invited me to a meeting, and when I got to the meeting there was quite a number of shipowners there, and I noticed a number of papers on the table. The President told me it was a translation of the American Seamen's Bill, and what they wanted to say was that they could not believe that Congress had turned over the control of the Pacific to them. They wanted me to explain to them if that could be possible, and when I informed them it was, they said: "Truly we have control of the Pacific Ocean, not so much by our own efforts as by an act of the Congress of the United States." (Applause.)

Now, then, to bring the thing home to yourselves, gentlemen. If any of you want to travel to the Far East from a United States port, you will sail on a Japanese steamer. If you have any business over there, and are sending letters and getting them from there, they will be carried by a Japanese steamer. If our great Government wants to send any important letters over there, the Japanese will carry them, except by an occasional steamer of the transport service. Now, we are all interested in the Philippine Islands—although I see in Congress they propose to turn them over

to the natives—but, until we give them up, surely our Government should provide the means of getting letters there. Manila is about eighteen days from San Francisco. Now, what have you got to do if you want to go over there? You will go from San Francisco to the Hawaiian Islands—that is our own country—then to Yokohama, Kobe, Nagasaki, and across to China, to Shanghai and Hong Kong, and you or your letter will reach the Philippines in thirty-three days. That is the best that can be done. Is there any other nation in the world that would stand for that sort of thing? No nation, no matter how small, would trust foreigners to furnish transportation to its colonies.

In looking over the bills introduced in Congress, I notice that there are forty bills which were introduced in Congress that affect our commerce. I looked through them to see if I cound find any of them that were going to help us. Not a single one of them; every one of them imposes more exactions on us! Hence the shipowners have become completely discouraged — and I wish to say this for men who own American ships in foreign trade, and those Americans who own foreign ships in American trade — they are men not easily discouraged, but the continued hammering and discouragement has been so great that they are almost forced to throw up the sponge, and say: "Well, if you won't allow us to operate our own ships under conditions that foreigners are allowed, then for God's sake give us Government ships." I, therefore, agree with Mr. Sweet.

Mr. Wilson said in Washington, while I was there: "If the shipowners of the United States will not give us a merchant marine, then the Government must give the merchants a merchant marine." But he did not say that he had securely tied our hands behind our backs when he turned us into the prize ring and turned the other fellow loose to "hammer the stuffing out of us." (Laughter and applause.)

The other day Colonel Goethals was in San Francisco. He delivered an address, and pointed out to us the iniquity of the measurements of our ships. He cited this instance: "Here are two ships that went through the canal. They were sister ships, exactly the same. One was flying the

American flag and the other was flying the British flag." He said: "By the increased measurement of the American ship, she was paying five hundred dollars more toll every time she went through the canal than her sister ship when flying the British flag." That's the encouragement and the help we are getting from the Government!

Now, Government ownership is not an untried thing. The last time I was in Australia they had a Government line running from West Australia—in fact, it had just gone into the bankruptcy court when I happened to be there. (Laughter.) The Government papers came out and said: "Yes, we have lost a great deal of money, but it is not all lost; the regular lines charge a great deal less freight." I have not the exact figures, but they lost about two-thirds of the value of the ships, and they only ran the line three years. However, as long as you have the taxpayers behind you and plenty of money in the treasury, I say to Mr. Sweet, surely you can run Government ships. Now, they propose to invest $30,000,000 in ships. Why, there isn't a large steamship company throughout the world that has not $30,000,000 in ships. That is only a drop in the bucket. That is only a small commencement of what is going to happen.

Now, to wind up. I have just this to say: That if a commission of practical shipping men was appointed—not politicians mind you—(laughter), but practical shipping men, and they are given a free hand, as Mr. Sweet stated, I have only this to say: you will never see a Government-owned ship—never. The American people will get up and give you an American merchant marine so quick that it will surprise the most sanguine, as there is plenty of money available.

I had an experience with Senator Nelson. They put me through a long "course of sprouts" in an investigation at Washington (laughter), and he said to me: "Mr. Dollar, why don't you make all your ships American ships?"

"Because," I said, "I haven't got money enough, and I couldn't stand it."

"Oh, then," he said, "that's the measure of your patriotism?" (Laughter.)

And I said: "Yes, sir."

So after the session was over, I said to the Chairman, Senator Burton: "Senator, will you permit me to ask Senator Nelson a question?" He replied: "Yes, sir."

"You know you have been asking me questions, going into the hundreds," I said. "Senator, will you answer me truthfully this one question I am going to ask?" (Laughter.)

"Yes, sir."

"Now, Senator, let us two go in and build a ship," I said. "Now, here is an American ship we can get for $700,000, and here is the same ship we can get in England that will cost $250,000. Now, the extra expense of running the American ship will be about $30,000. Now, Senator, when I say that to you, I will ask you this question, whether you and I will build a British or an American ship?"

And he said: "A British ship, sure."

"That's the extent of your patriotism, and you a United States Senator—I'm ashamed of you!" (Applause and laughter.) So it depends altogether, you know, on what foot you have the shoe.

That concludes what I have to say. I thank you for this hearing, and I want you just to study up these things. Think of us having our hands tied securely behind our back and going into that ring. Remember that, gentlemen.

We then went to New York where we met my son, Melville, who was loading a steamer for Vladivostok. I was elected a director of the American International Corporation and attended its meetings. The paid up capital is $50,000,000, and its primary objects are to develop American foreign trade. I was a guest of honor at a luncheon at the Chamber of Commerce of New York. Also attended meetings of the Foreign Trade Council, at India House, which has grown to be very popular and of which I was one of the charter members, when it looked as though it would take a long time to grow, but it has sprung up like a mushroom and now has a long waiting list. We went to Washington on the 8th of February and attended the annual meeting of the Chamber of Commerce of the United States. Ambassador Koo ably addressed the meeting on China, and

I followed his talk and backed up what he said of the honesty of the Chinese and the great future of China.

The day I got home I attended a meeting of the Merchants Exchange and the Chamber of Commerce, so public affairs continue to take up more than half my time. During this year, we bought several steamers and re-sold them again, mostly to Japanese. We also sold all our own vessels we could spare, the "Robert Dollar," "Stanley Dollar" and "Grace Dollar." Although we really required these vessels, the prices we were offered were so attractive we let them go at over three times their original value.

During this year, I paid several visits to Vancouver, B. C., looking forward to establishing the terminus of our steamers there, and also with a view to building a sawmill to furnish us cargoes for our foreign going steamers. In San Francisco, there had been a longshoremen's strike for some time. They took such complete possession of the waterfront that the United States Government had to get a permit from Mr. Murphy, president of the Union, to remove specie from the dock to the sub-treasury. This so incensed the merchants that a meeting in the Merchants Exchange was held on the 10th of July, which was by far the largest and most enthusiastic meeting ever held in San Francisco, and at which a Law and Order Committee was formed and a fund of one million dollars was promised. This absolutely stopped violence, and the police judges were compelled to do justice by force of public opinion.

In October, after a visit to New York, Philadelphia and Washington, we visited friends in Coulounge and Ottawa. At the latter place, Senator Edwards gave me a complimentary luncheon at which four Cabinet Ministers, Sir Wilfred Laurier, three noblemen and several of the great men of Canada met to do me honor. It was certainly a great compliment, more especially as when I first left Ottawa I was receiving wages amounting to $26.00 a month.

Excerpt from and Ottawa paper:

"On a cool, crisp, fall day, seven and fifty years ago, a young Scotch lad clad in homespuns walked into the Ottawa

office of Hiram Robinson, lumberman, and demanded a job. He got it—washing dishes and cleaning stables up in the shanties at ten dollars a month.

"This morning this erstwhile shanty boy returned to Ottawa for a brief stay—Robert Dollar, western lumberman and vessel owner, pioneer of trade between North America and the Orient, friend and confidant of the Chinese President, and regarded as one of the fifty greatest men of the United States.

"Mr. Dollar is staying with relatives, and when seen by The Journal this morning was busy talking over old times with his old employer, Mr. Robinson, the man who gave him his earliest start.

" 'Yes,' he said, 'Mr. Robinson gave me my first job way back in 1859, and I started in at the bottom washing dishes in the shanties and I don't regret it, for today, if I go up to one of my coast camps and see the dish boy making a poor job of things I can set right in and show him how things should be done.'

"From chore boy, Mr. Dollar worked his way to the top of the lumber business. Leaving Mr. Robinson to go up to Muskoka, and then, at the end of the Civil War, crossing to Marquette, Michigan, he entered business on his own account. An ardent student of Horace Greely, the advice 'Go West, young man,' sank deep into the lumberman's mind. As a result he was unsatisfied until the shores of the Pacific came within his ken. And even then a hankering for still further 'Westing' remained. His lumber business increased until he was forced to build ships to carry his wood, and finally he entered the trans-Pacific transportation business with such success, that today the Robert Dollar house flag is as well known in the Chinese treaty ports and those of the Russian Orient, as it is in Vancouver and 'Frisco.'

"Today eight great Clyde-built freighters are running to the Orient, and, thanks to the American Seaman's Act, every one now flies the Union Jack and has its home port in Vancouver instead of San Francisco. Their owner, with whom lies much of the credit for opening Oriental markets for American products, stated today, that, as one result of the

transfer of his vessels to a Canadian port, he would devote every effort to building up a new market for Dominion-made goods in the Far East.

"Mr. Dollar has just completed the purchase of a quarter of a mile of deep sea frontage on the north shore of Burrard's Inlet, near Vancouver, where, the moment he returns to the coast, work will be commenced on a vast lumber mill designed to manufacture Canadian timber for the markets of the Orient.

"Naturally, reminiscences occupied the bulk of the conversation between Mr. Dollar and his old employer. The former recollected the day when he brought the first saw logs over the Chaudiere and then tried to run them through the Kettle, with somewhat disastrous results, for they jammed, and, as Mr. Dollar remarked, 'We had the very dickens of a time.' After this jam, it was decided to run the logs through the north slide; Mr. Dollar's narrative of the incident follows:

" 'We let 'em in one by one, and they went through fine; so well, that I kept shouting, 'Let 'em come! Faster! Faster!!' And they came—so fast that we had another jam, and backed the water right up through Eddy's match factory. Then Mr. Eddy came out and gave me a good cussing. I just told him not to waste my time talking, if he wanted me to break up the jam. He stopped and sat down on the bank watching me. Then I got busy, and, after I had finished the job, he came over to me and said: 'Young man, I gave you an awful talking to, just now, but after seeing you move those logs, it's up to me to take my hat off to you, instead of calling you a fool.'

"Though an American citizen now, Mr. Dollar is an enthusiastic pro-ally. He gave The Journal a little piece of hitherto unpublished information about the Teuton attempts, prior to the battle of the Falkland Islands, to secure his finest steamer, the 'Robert Dollar.'

"The facts of the 'Robert Dollar's' voyage were these: A few weeks before the battle of the Falkland Islands, she left an Atlantic port with a full cargo of steam coal destined for either Manila or Batavia. Her charter, which was signed

by one of Mr. Dollar's sons, provided that the vessel should call at Pernambuco, South America, for orders. The moment Mr. Dollar read the charter he surmised there was something wrong, but by that time the ship was well at sea, and nothing could be done.

"Luckily Captain Morton, who commanded her, was a staunch Britisher and was also suspicious, so he lay to off Pernambuco instead of entering the port. A small boat came off, carrying three Germans who gave him orders to proceed to Montevideo, off which the German fleet was lying. The Captain flatly refused to obey the alleged orders, whereupon the Germans offered him five thousand dollars in gold if he would steer his vessel south. The result was that three badly mussed up Teutons went down the ship's side quite a bit faster than they came aboard, and the 'Robert Dollar' steamed off for the China Sea. As Mr. Dollar added, 'The Hun fleet went hungry for a fine cargo of good Welsh coal.' "

From Ottawa we went to Vancouver, where I addressed the Rotary Club on October 10, at the Vancouver Hotel.

A Vancouver newspaper's report of address—

"China presents greater trade possibilities to British Columbia and to the world than does any other portion of the globe, according to Captain Robert Dollar, of the Dollar Steamship Line, which recently established headquarters in this city, on account of the United States shipping laws not being so favorable to shipowners and the shipping business as are the British laws.

" 'When the people of China increase their purchasing power,' said Captain Dollar yesterday in an address to the Rotary Club at a luncheon at the Hotel Vancouver, 'there is no telling how large the trade may become. The resources of China are greater than any of us have any idea. This is the trade you will have to depend on. The surface of that country has only been scratched and they have a fourth of the population of the world.'

"Captain Dollar went on to explain what he meant by increasing the purchasing power. He has some large lumber yards in that country and men work in the yards for eight

cents a day. With these men receiving higher wages, when the wages of the whole country become increased with the march of time, they will buy more goods, so there is no telling to what extent the purchasing power may grow. At present men do the work of horses. Were a horse to be put to work in the place of so many men, it would release this man-power for other lines of industry where they could make more money, and they would buy socks and shoes, for instance, whereas they now go barefooted in very cold weather.

"The people of Vancouver should go after this new trade that is bound to come, and can be obtained with vigorous hustling, according to Captain Dollar, who advised business men to take off their coats. In the United States they fully realize the importance of the Chinese trade. One huge company has already voted six million dollars to dredge the Grand Canal, a waterway which was built before the Christian era. To develop this business there must be co-operation among the merchants and the people. 'It is possible for the people of Canada to make Vancouver the great Canadian port of the Pacific,' declared Captain Dollar.

"Speaking particularly of the port of Vancouver, Captain Dollar complimented the officials connected with the port and the shipping business. He said they made it easy for the shipowners here. The port charges are reasonable, which is a great inducement. Some other ports make it as hard as possible for shipowners, and some persons seem to think the more they charge shipping the more money will be made, which is not the case, as the people are made to pay. A tax on a ship is a tax on the whole people, for shipowners simply put their rates up to meet the increased tax on their ships. Also, shipowners are like other people—they like to follow the line of least resistance.

"The owner of a ship furthermore, Captain Dollar said, is the best drummer for trade. He sings the praises of his home port, for the more trade it has the better it is for the owners of ships. Captain Dollar's efforts will be to get trade here, for, in his own words, 'the most extensive freight is wind and air.' He wants to keep his ships loaded and he told

the club he would go to every extreme, except stealing, to get cargoes.

"Payroll was the big thing, in the Captain's opinion, making for final success. 'You have got to have manufacturing to get the big payroll,' he said. Factories are of more importance than anything else. The raw material could be brought from foreign ports. He gave for instance: When Irondale, near Port Townsend, Washington, was started with an iron plant a few years ago, Captain Dollar made a contract to bring Chinese iron, and he laid it down at Irondale cheaper than it could be laid down from Pittsburgh. The company failed, however, owing to poor management.

"Though not speaking at all in a spirit of criticism, the speaker drew attention to a condition of the lumber business here. Two weeks ago he shipped two million feet of lumber to his China yards, using the lumber to complete a cargo of one of his ships. He had to get this lumber on Puget Sound.

"With reference to the trade which is coming with Russia, Captain Dollar, who has an office in Petrograd, said much depended on the attitude of the Russians, who usually did the wrong thing at the wrong time, according to his experience. Before the war he received notice that Vladivostok was to be closed to commercial shipping and be used for war purposes, so commercial shipping was to use another port, up a river, where navigation was dangerous as there was a sandbar at the mouth. Vladivostok is the only Siberian port that can be used. If this port is not shut up, trade will develop.

" 'The Lord,' said Captain Dollar, 'gave you here one of the best ports in the world, without any expense to Vancouver. It is up to the people to develop it further. The Lord helps those who help themselves,' he quoted. 'As to what I think of this port,' he went on, 'you can always tell better by what a man does than by what he says. What have I done? Well, I am here.'

"As to increasing the commerce at this port, Captain Dollar said there was a good trade already, but foreign trade was lacking. Domestic trade, he said, was like swapping jack-knives, in the end each had a jack-knife, though it

might be the other fellow's; that was all. But foreign trade brought in gold and was the foundation of a port's prosperity. When the war is over there will come the greatest commercial war history has ever recorded. As to the importance of foreign trade—the farmers of the United States formerly thought it was not essential to their welfare, but since the war, they have awakened to its importance to the interior as well as to the seaboard sections.

"Captain Dollar had noticed that there was an apparent disposition to frame Canadian shipping laws after those of America, which he deprecated, for British shipping laws have produced a shipping business that is the greatest in the world."

We returned home the latter part of October, and on the 17th of November I gave an address at the Hotel Oakland, Oakland, California, before the Real Estate Convention. At its close I received quite an ovation.

Address at Oakland, California—

Those interested in foreign trade are not only the shipowners, but those in different lines of business. There is first the farmer. He produces more crops than the United States can consume, and there is only one way he can sell them and get the money, and that is by selling to foreign countries. Therefore, he is intensely interested in it. Mr. Redfield has said, that if the manufacturers of the United States were to run their plants full time, in six months they could produce all the United States would require for a year. Therefore, for six months of the time they have to sell to foreign countries. The manufacturers are intensely interested.

Next come the bankers, who are keenly interested, because they have to buy the bills of exchange for all commodities going to foreign countries.

Then there are the merchants with establishments in foreign countries, who depend on buying and selling our products, and they are very much interested.

And last comes the shipowner. What use are surplus products to you if you haven't ships to carry them. We are

all linked together, and you gentlemen in the real estate business come in with the rest. Unfortunately those of us who are engaged in foreign trade necessarily come under the ban of being in "big business." The foreign trade, of necessity, takes a lot of capital, and it is big business, and various administrations have attempted to crush "big business" and put big business out of business, until lately they have had their eyes opened, and now you see the persecution of "big business" has stopped, in-so-far as foreign trade is concerned.

Foreign trade and commerce, if carried on properly, is only an exchange of commodities. You gentlemen have things to sell. You send them over to the foreign country, and if trade is properly conducted, you should buy in that foreign country as much or nearly as much as you sell. Very nice to have the balance of it in our favor, and the European war has made us the biggest creditor in the world.

Just to give you an idea of how the Chinese look at that—we think that they do not know very much over there—I was trying to put through a deal with the Chinese Government by buying iron ore and pig iron from them. We came to a deadlock and, as they desired to send me off in good humor, they gave me a banquet. They said they were sorry they could not meet my terms, but, as I could not come up on my terms, we would have to agree to disagree. As a parting shot I said, "Remember one thing, gentlemen; up to the present time I have done many millions of dollars worth of business with China, and I have yet to take the first dollar of your money away from you. I have even bought more than I have sold to you." We were just ready to go into the banquet room, when they said, "Sit down a moment," and they began to talk. I didn't understand what they were saying, only every one had something to say. The President of the Republic finally said to me: "We have been trying to form an answer to your last remark, and we have utterly failed, so we have now decided to give you our products at the price you have named because we cannot afford to do without the exchange of commodities that you are giving us."

Now, a very important part, as I have said, is the banking. It may appear rather strange to you that we had a law in our country that prohibited national banks having any branches in foreign countries; therefore, we were compelled to sell our bills of exchange to foreign countries. The Federal Reserve Act changed the law so that it now permits our banks to have branch banks in foreign countries. They have been established in South America, through the National City Bank, of New York. We have had an American banking institution, but it never went in for this kind of business, consequently should one of you sell a bill of goods in a foreign country and you draw your profits with documents attached, they go through foreign banks. When I want to draw from China or the Philippine Islands, coming this way, my bills of exchange are put in the foreign bank and the bill of exchange tells the whole story; tells the goods and tells what the prices are, and, as you know, blood is thicker than water, the information leaks out to our disadvantage. Our Congressmen cannot see it, however. I talk through personal experience because I, too, have received tips as to what the other fellow was doing.

Our administration recently attempted to regulate foreign commerce. I attended the meetings in Washington, and the argument was this: "We have regulated our railroads with perfect success, and now we are going to regulate you fellows that are in the foreign trade, and we are going to tell you what you are to do, in the same way we have told and do tell the railroads what they are to do. As a result of telling the railroads, there are seventy-seven railroads now in the hands of receivers—railroads with thirty-eight thousand miles of trackage. That is one of the beneficial effects, coupled with the eight-hour law that has just been passed!

In attempting to regulate foreign trade, they are going to do it in this way: Any ship asking clearance in an American port has to get a license, and they are going to put that into the Ship Purchase Bill. I said to them: "Allow me to give you a problematical instance of how it will work. We will suppose that one of my British ships comes

into New York engaged to carry a carload of flour for the British Government. I ask you for a license and you say, "No; the audacity of these shipping men! Here is a load of flour for Great Britain, but we will give you a license to carry this lumber to Montevideo, if you please." What is the British Government going to say to us? They are starving, the ship is under their flag, and you tell them that I cannot carry flour to feed their starving people, but you compel me to carry this cargo of lumber to South America." That was the last I heard of it.

Last year Great Britain passed 239 laws, while our country passed several thousand laws to regulate us. Don't you think we are being regulated to death? However, there is one fine thing which has been brought about by the war, and that is the building of ships on this coast. There is building going on in the United States, on the Atlantic seaboard, but especially on this coast. Immense sums of money are being spent here which are going to our laborers. It is a splendid thing, but the unfortunate part of it is that seventy-five per cent of these ships up to the present time have sailed away under a foreign flag. However, we received the benefits from building them, for which we should be thankful.

Foreign countries aid their merchants in foreign commerce. It would take too long to tell how it is done, but they get right out, and in some instances actually compelled their people to make a combination, so that they could get the commerce for their own country against other countries. What have we done? The very reverse. The Sherman Act prevents us from making any combination of any kind under penalty of going to jail. There is the difference between the action of our Government and the action of other governments in trying to stimulate foreign trade.

Then we come down to the Seaman's Bill that was put through two years ago, which, if it had been enforced, would put fifty per cent of all of our ships out of commission. We told them that, explained it to them, but it was no use, the bill became a law.

They started to enforce it, which caused such a commotion that they let up on some American ships. Over two

hundred American ships had been fined five hundred dollars apiece for infraction of that law, but strange to say the law says that all ships asking clearance shall be governed by that law, and the foreign ships are coming and going in and out of the ports of this country, and they are never looked at. I have ships coming in which could not pass the law at all. They haven't looked at them. The law is not enforced. What do you think of a government making a law and not enforcing it? There is a law against stealing and murder. What would you think if they did not enforce it, and let the guilty go free? That is what is being done with the Seamen's Law. I was foolish enough to think the law would be enforced, and I could see that it was impracticable to run ships under that law, so I went to Vancouver. I need not have done so, as the law is a dead letter. After this European war is over, we are going to feel it, I am afraid. The administration has admitted that it cannot put that Seamen's Bill into force, in its entirety. Those bills were put through for a purpose and probably the purpose has been served now.

Here is something that might interest you gentlemen a little bit. We were making this a terminal for our ships, and our captains, engineers and officers had their homes here. Twelve families have moved away, mostly from Oakland, and gone to Vancouver to live. We are spending in Vancouver today eighty-one thousand dollars a month, which practically all goes to labor. That is what this Seamen's Bill has done for us.

Now there is another thing which took place, which our Government was warned of and shown exactly what would happen; namely, that this bill would turn the commerce of the Pacific over to the Japanese, because the bill was so worded that Japanese were exempted from its operation. In 1914, thirty-three per cent of the tonnage on the Pacific was Japanese, thirty-nine per cent European and twenty-eight per cent American. Try and keep those figures in mind. Today seventy-six per cent is Japanese, twenty per cent European and the great American nation's four per cent. That is where we have got to, and it is going to

remain that way just as soon as normal times comes back, because it is an absolute impossibility, with the restrictions imposed upon American shipping, for us to run ships. A good many people say, "What does it matter who carries our freight? We get it carried; it doesn't make any difference to us by whom." I want to tell you this: if our seaport is to become great, it is going to become great by having shipowners living in the place. Do you think I would drum up trade for Hamburg or London? Not at all. My interests were right here, and I was drumming all I could for this Pacific Coast; and I am continuing it today, but unfortunately it is on the other side of the Canadian line. Ships are great drummers of trade. What has made England, on the little island which she owns, such a power on the sea? Her shipping. I heard an Englishman and an American arguing, and the Englishman did him up on the argument. "Darn you, I'll take your little island and sink it in Lake Superior," said the American, in disgust.

The English had ships going to all parts of the world and virtually controlled through their shipping, as we at one time did when we had just as good and as great a shipping trade as England has, but we frittered away our birthright and now depend upon the courtesy of the Japanese to carry our goods. Even our mails are carried by foreign ships. Our Government made an outcry that the mail had been opened. I say, it served us right; why not carry our mail on our own ships and not be depending upon other people. Now, a foreign trade council has been established to try and see if it is not possible to extend our foreign trade. At the first meeting held in Washington, some six or seven hundred merchants and bankers from the United States met there. Mr. Redfield, Secretary of Commerce, out of courtesy, was asked to say a few words. He came there and said: "Gentlemen, I am very busy and have very little time. May I be permitted to say a few words to you at the commencement of this meeting?" He did, and sat down, and did not get up. It was about 10 o'clock when we began and it lasted until 1 o'clock. He was fascinated to see the men there who were planning to increase our foreign trade. We adjourned to

meet at 2 o'clock. He went away and came back at 2 o'clock and said to the Chairman, "I would like to make a statement. I had no time to wait and listen this morning but I was so attracted that I stayed until 1 o'clock and I am back here again. When I went to lunch, I went to lunch at the White House, and I told Mr. Wilson what was going on, and he asked that all of you go over there; he wants to take a look at you." He took a look at us, and there was the commencement of the abandonment of the persecution of "big business." The chairman said to the President, "I think you have made a mistake in calling us gentlemen here, because there isn't a man in this room who is not in big business." The President, however, could see the handwriting on the wall.

The Webb Bill has been introduced in Congress, permitting citizens of the United States to form combinations so that they can go into foreign trade. And that bill is being pushed energetically by the Foreign Trade Council. I will say this, however, the Foreign Trade Council does not need the Webb Bill, because they have connections in foreign countries, but the small manufacturer and the small merchant cannot go into foreign countries, as it would not pay them to send their representatives there. This bill is to permit those small dealers to club together and send their representatives to foreign countries to increase their trade.

Another outcome of that meeting was the formation of a company with a capital of several million dollars, especially to develop foreign trade. We have discovered we cannot get along without foreign trade. In years gone by when we were not producing so much, we consumed all we produced and did not need foreign trade. That day has gone by, and gone by forever. You have read about a convention held in Paris by the allies—held with the object of consolidating their various energies—and for what? So that they will be able to do business within themselves when the war is over, and it is up to Congress to sit up and take notice and see whether that combination will not put us practically out of business. That action of the convention was backed up by governments that are governments. I will say this for our Government,

it has now seen the light, and if it won't help us fellows on the firing line in foreign trade, I do not think it will put any obstacles in our way. Something like the sailor going to fight a battle with a bully aboard a ship. He thought it was a pretty hard job and thought he would go into the forecastle and pray. He said: "Now, Lord, I have never asked you anything before, never prayed to you in my life and will never again, but if you don't help that fellow out there, you will be surprised how quickly I will do him up." So if our Government will only leave us fellows alone, you sit up and take notice and see how quick we will do the other fellow up.

Now just one more thing I want to ask of you gentlemen. Our Government has tried doing missionary work in foreign lands, but the missionary work should be done right here at home, and you, gentlemen, if you see the importance of this thing, the importance to our merchants, it is necessary for them to go into foreign lands, to look over the situation and see whether they want the trade, and if they go into this trade, it should be for keeps.

I want to tell you it will cost a great deal to get started. They are going to be out of pocket the first year. For example, I introduced a certain commodity into China. The first year I lost fifteen hundred dollars; the second year, one thousand; the third year I got even, and have made money ever since. It requires grit to go into foreign trade, and the main thing this nation should do is to get our merchants to go to foreign countries and develop the trade, because we need it badly now, for, I want to tell you gentlemen, when our manufactures increase as they have been doing they will need ships. The nation that has the ships is pretty near boss of the job.

Chapter Twenty-two

HOW TO GET OUR SHARE OF THE WORLD COMMERCE

From the New York Times, October, 1915
By Edward Marshall

CAPTAIN DOLLAR TALKS

That days of such prosperity as we never knew before are close ahead of us is the opinion of the most notable expert in ships and shipping, whom I could find to talk to—an expert so notable that by both sides of the controversy over the La Follette Bill he has been recognized as one whose opinion must be reckoned with.

And his optimism stands even in the face of what must be, to him, the most depressing fact that his particular interests have been hit extremely hard, not only by the war, but by our own legislation which preceded it.

Captain Robert Dollar is the largest single ship owner on the Pacific Coast; he is the one important individual figure in our Oriental maritime trade; he is a very careful student of world commerce.

"We are confronted by enormous opportunities," said he, with the strong Scotch burr which survives his ardent Americanism.

"If we do not take advantage of them, world conditions cannot be blamed; our own intelligence will be at fault. We are an intelligent people, and that should not occur.

"I have seen pessimistic predictions in the newspapers; I can see no justification for them there, although I myself have suffered heavily so far. But I have faith in the United States. We have before us unprecedented chance for foreign trade, and foreign trade is the surest guarantee of any nation's prosperity. I don't believe that we shall let it slip. I can't believe it.

"Personally, I am confident that the next Congress will adopt such measures as may be necessary to the development of an American merchant marine, and as soon as that is done our foreign commerce will spring into proportions which could not have been possible if the European war never had been declared.

"Indeed the war has done us a considerable service. It has created an extensive commerce in munitions, which has been more than sufficient to offset the commerce which the conflict has kept off the seas, and when I say 'munitions,' thus, I do not include in this classification any arms or ammunition, any military transport, or indeed any purely military material of whatsoever character. We have exported these things, but we have exported other things in truly mammoth quantities.

"We have been uniquely situated in the past. We have grown with such rapidity that our production never has far exceeded our own demands, so we have not greatly needed foreign trade. Hence we have never studied seriously the art of getting and retaining it.

COMPETITORS FOR WORLD COMMERCE

"Only a few years before the war began, it, for the first time, became apparent that conditions had begun to change and that our continued national prosperity upon the old scale would necessitate our entrance into competition with the other great producing nations for world commerce.

"But we were in the habit of an insular prosperity, and could not adjust ourselves readily to the fact. We lost because of slowness of adjustment. Long ago our merchants seem to have forgotten both their opportunities and their necessities; our legislators stupidly have failed to revive shipping laws and inspection requirements, which makes it impossible for American vessels to successfully operate in foreign trade. Now has come the La Follette Bill, which caps the climax. It was passed not long after hostilities commenced, in spite of its obvious injustices. Without it we should have borne much better the world-shock of the great conflict.

"Instantly after the war began, there sprang into the public attention various statements of the enormous gains which

would accrue to American shipping as soon as foreign bottoms were scared from all the seas by hostile ships. Those who have made these predictions failed to take this law into their consideration.

"This did not occur, first, because we had no ships worth mentioning with which to take advantage of our chance; second, because those which we had were governed by restrictions making them unprofitable even in the face of the great opportunity; and third, because the ocean war was so uneven that the commerce-carrying vessels of one country only suffered. England's and those of France remained practically free to sail and trade as they never before had sailed and traded. And remember—we but recently had handicapped ourselves.

"Instead of a period of reconstruction of American shipping came a continuance of its decline. We had no ships, and under existing regulations could not profitably build or buy ships. We could not begin to develop a great foreign commerce without a merchant marine, any more than a man could start a factory without tools. Indeed, we sold some of the ships which we had.

"The war, however, has been a great educator, and the next session of Congress is bound to remedy some of our old mistakes, adjusting our affairs so that certainly we shall be able to take some advantage of the chance before it passes into history. I cannot doubt this.

"There has been a general stimulation of our national interest in those foreign markets which will be open to us as soon as we have carrying facilities wherewith to supply them, and those carrying facilities surely will be possible to us before another year comes to an end.

"The opportunity in South America is very great, as we are her logical source of supply. Since the European trade with South America has been shut off, we have built up a large volume of business, and, as soon as we get ships wherewith to forward it, that trade will grow rapidly.

"A laden vessel sent to foreign countries becomes a drummer there, not only for the sale of the goods carried in her holds, but for cargoes to bring back with her; and it is

through such exchange of cargoes that foreign trade is nurtured. As soon as we get ships we shall find that every one of them will create trade in both directions.

"Take the experience which my own firm has had with its own ships. It is the rule in our various Far Eastern offices to cable the home office when one of our vessels has discharged in an Oriental port, and there has found herself without a cargo for the homeward voyage. Our representative tells us how many more tons of cargo can be carried than already has been secured, and lets us know what can be bought there on the ground.

THE SHIP A TRADE MISSIONARY

"The ship is a trade missionary. Not finding a cargo ready to bring home she seeks one, even going to the length of buying one, if she can obtain one in no other way.

"We will say that she can buy hemp at Manila at a certain price. We, at the home office, know the price at which hemp can be sold in the United States. If that which she can buy can be sold here, at an advantage great enough to give us profit, possibly only enough for reasonable freight rates, it is wise for us to buy it, is it not?

"We buy it; she brings it; we sell it. Thus we get, at least, freight charges for its handling and its carriage, and a new trade has been established. See how the vessel has acted as a trade missionary?

"Our ships have developed a nice little pig-iron trade between China and this country, having been stimulated to the task by the fact that they had no cargoes to bring home after they had discharged those which they had carried westward.

"They are now bringing on each homeward voyage enough to make that voyage profitable, and when they do this it must be clear that not they alone, but the whole commerce of the country benefits.

"We sent cargoes to the Philippines some years ago, and in order to make the voyages profitable brought copra back with us. Previous to that no trade in copra with the Philippines existed. Now it is a very satisfactory affair, amounting to from 20,000 to 30,000 tons a year.

"On one occasion, finding our ships light in the north of Japan, we began to get out oak timber there for the return cargoes. We bought the standing timber, put in the men to cut it, and had it stacked and ready for such occasions as might come when we could find no other cargo. There were several such occasions. In San Francisco the timber was cut and made into furniture.

"We are now developing Philippine mahogany along exactly the same lines, bringing 4,000,000 feet a year in our own ships. It does not yield a profit yet, but later on it will. Our ships which bring it are trade missionaries.

"If we did not have the ships we could not do these things, and the whole country would be the loser. If we had more ships we could do more such things, and the whole country would be the gainer. If there were many ship owners doing similar things the national effect would be tremendous. This would be the case with more liberal laws.

BRINGERS MUST BE TAKERS

"The man on the street who considers ocean commerce is likely to forget that if we bring we must take, and if we take we must bring. Ships must be loaded as they travel or their travel will be profitless. A vessel voyaging in ballast one way must get double freight the other way, or lose money, and double freight is an oppression upon commerce. the consumer and the nation which is forced to pay it.

"There is no good reason under heaven why this nation should not be prosperous at the present time as never before. A vast opportunity has been thrust upon us by this war, which has driven Germany from the seas and preoccupied the other nations, or filled their vessels' holds with war munitions, to the exclusion of the commodities of ordinary life for themselves and non-belligerent nations. Statistics show enormous loss of foreign shipping.

"With this unparalleled decrease of foreign bottoms and the total cessation of commercial shipbuilding at the yards of the belligerent nations which are the greatest in the world, and with the stoppage throughout Europe of ordinary manufacture—the substitution of the manufacture of death-dealing

commodities for the manufacture of life and comfort-giving commodities—our mills and shops should find themselves faced by a constructive task such as never came to them before, and surely such as never will come to them in the future, for it is inconceivable that, in the face of such an argument for international peace, all Europe will involve itself in war again, or at least, in any war which will affect us.

"We must consider the matter of our foreign trade very seriously. It is of importance to every human being in our territory, and not merely to the residents of seacoast cities and seafaring folk.

"Indeed, analysis of the situation places the man whose interest is in ships last upon the list of those whose interest in foreign trade is vital.

"I think those interested should be mentioned in this order: First, the farmer; second, the manufacturer; third, the merchant who has branches or representatives in foreign countries; fourth, the banker who finances and furnishes exchange; fifth, the ship owners who furnish bottoms for the carriage of ocean trade.

TRADE CANNOT DEVELOP WITHOUT DRUMMERS

"I have said that ships are the best drummers for a nation's business, and have told you why I think so. We, of all people, have learned the lesson that even local trade cannot be developed without drummers. If we wish American trade to grow, and we do wish that, for we do not desire to deteriorate nationally, we must have, not only ships to carry our commerce, but they must be American ships. The existence of American ships plying to the world's ports will mean the existence in the world's ports of American branch houses, fighting for the world's business.

"Some of our manufacturers employ foreign houses to act as agents for them in the foreign field, but this is a foolish business. Foreign agents will work for our prosperity but half-heartedly if at all. This is a lesson which those of us who are endeavoring to develop foreign trade have learned in sorrow. The German, Austrian, English or French firms

in foreign ports will not develop trade for us, save when such opportunities occur as cannot be met by their compatriots.

"The situation, as it stands, is an absurdity, and would be a tragedy were we not capable of correcting our mistakes with a rapidity and thoroughness exceeding the capabilities of any other nation in the world.

"Already we are waking to the fact that we must do our own banking. An inefficient system has existed in the past. For instance, England has controlled all Oriental business. Our Pacific Coast has done business with Japan and China through London.

"Now this is beginning to change, and, if we choose, we may have the opportunity of seeing to it that the change continues till we take the place which rightfully is ours.

"Years ago I hoped for this, and thought I saw it coming. Now my greatest hope is that I may live to see the day when it shall be a matter of fact. Today, New York is temporarily the financial center of the world. If we are reasonably intelligent it will have so established its advantages and its prestige by the time the war ends that the cessation of hostilities will not alter this condition.

"We already have the farmers and the land, the manufacturers and the raw material with which they can work effectively. Now we must have the American merchant with the foreign house, the American banker to finance exchange in dollars (not pounds, as now) and American ships with which to carry commerce.

WE MUST DELIVER THE GOODS

"We have been in the position of the merchant who has no delivery service, but is compelled to hire from his competitor across the street, the vehicle with which his wares are taken to his customers.

"Of course, such a merchant would not get the best of service. The growth of his trade would be subordinated to the growth of that of the man who owned the vehicles; his interest would be a secondary matter. He would deliver his own goods first, leaving ours to time and opportunity. We must see to it that our trade is primary to those intrusted

with promoting it. What would you think of the farmer who left the marketing of his grain until his neighbor's and rival's wagons should be idle?

"Another thing: American ships can carry American cargoes, under reasonably equal conditions, cheaper than anybody else can carry them. I am a shipowner, we will say, living in New York. Could I carry freight to you from another port as cheaply as I could carry it to and from New York?

"Of course not, for if I live in New York I shall be upon the ground there, my ships normally will dock there, my offices will be there, my trusted men will be there; there will be less chance there than elsewhere of mistakes in the conduct of my business.

"Is it not, therefore, obvious that the nation and its cities where the shipowners are located, and the home ports and nations of the ships, will get the trade? It seems so to me.

"I live on the Pacific Coast. Is it likely that I shall try especially to develop New York's trade? Only in a general way. New York's trade indirectly benefits me, but the Pacific Coast trade directly benefits me.

"The city and the nation that has the ships will get the cheapest freight rates, for reasons which cannot be gainsaid.

"I have done something to develop Pacific Coast trade because I have lived on the Pacific Coast. A Boston man, a Philadelphia man, a resident of New York, situated as I have been, would have done what he could to develop Atlantic Coast trade—particularly trade with his particular home port. The fact that England owns more tonnage than any other nation explains the fact that British commerce leads the world. Men help their own home ports and nation.

"Merchants will tell you that in business they forget the flag under which ships sail. That is absolutely true. But they do not forget the operating expenses of those ships, for they fix the freight rates.

"Our government has done something to develop its foreign trade. It has had wonderful consular reports, and has done fine missionary work abroad. But it has done little or no missionary work at home, and that is what we need.

SOME THINGS WE MIGHT DO

"If our Government would select one merchant or manufacturer in each of the lines promising the best foreign trade development, and see to it that his interest was aroused, he would straightway become a home missionary.

"It takes the product of many factories to make the cargo of a ship. The bigger the cargo the cheaper the rate. So, it is to the interest of every business man who wants foreign trade, to see that his neighbor also wants it, and to assist his neighbor in obtaining his share of it.

"I, personally, have had some interesting experiences with regard to foreign trade. I arrived in China just after the revolution started, a few years ago. I told my son that there would be no Chinese business, and he replied, that he had been thinking of the Philippines. I went to Manila and was met with a note from Governor Forbes, who said he had been 'laying for me.' He put a steamer at my disposal and assigned a man to take me around the islands, stating, that the longer I kept them the better he would like it, for he knew that my journey would mean an increase of American trade.

"I kept the steamer and the man sixteen or eighteen days, and they did mean American trade. From Zamboanga I cabled home for a big steamer to come out and load with copra and mahogany. It did so, and an absolutely new American trade was thereby established.

"Was Governor Forbes the missionary? No. Was I? No. Was the ship? Yes! Governor Forbes' effort, and my own, would have been futile if there had not been an American ship waiting at the other end of the Pacific cable.

"Governor Forbes was delighted. I went on to Shanghai, and before I left there I cabled him that I had sent for another ship. Many ships have gone since then, and many more will go.

"There was a case in which our Government co-operated with a private individual in working for the public good. There should be more of this.

"Our tendency toward antagonism between Government and individual is too great. Of late in the United States,

the successful man, or the enterprising man, is likely to be looked upon at once as one to be suppressed and handicapped. We must get over that. It is a foolish tendency.

EVERY CITIZEN INTERESTED IN SHIPPING

"I have said the farmer has an interest in ocean shipping and the passage of right laws regarding it. Was not this startlingly illustrated when the cotton crisis came? Is it not strikingly illustrated now, when we have bumper crops of grain.

"Crops must be moved to market, else the farmer cannot raise them profitably. If we raise more than the domestic market can absorb the surplus must be moved to foreign markets. This can be carried to foreign markets only in ships. If we have not the ships it cannot go. If there is no movement, of what value are crops to the men who have produced them?

"Not long ago, a friend told me of the necessity of sending a ship to South America to bring back cargo, but said that he could find no cargo for the outward trip. He sent cards to friends asking them to help him find a cargo.

"They did so. He sent her laden with potatoes and the potatoes sold in South America, although North American potatoes had never been offered there before. The ship brought back South American goods which were badly needed here.

"That was constructive work which could not have been done if the ship had not been available. If we pass laws allowing ships to be profitable we shall have more ships. The fellow that has the transportation comes near to being master of the situation. Have not we on land learned that, in dealing with the railroads?

"That man must be comfortable. If we bother him too much we all shall lose by it. Give him a fair chance, and he'll make good. Don't let him take advantage of you. That will hurt you both. We have learned that, too, in connection with the railroads, but don't unduly oppress him."

NEW TRADE AFTER THE WAR

"What new trade ought we to get after the war is over?" I asked Captain Dollar.

"We ought not to wait until the war is over," he replied. "The markets of the world are open to us now, if we do enough missionary work among our business men, arousing them not only to their opportunity for getting it, but to the means for keeping it.

"It is of paramount importance that we should put our men in the foreign fields. The first chance now exists for us to put them there. We need foreign trade. We never really have needed it before. We can get it. We never before have had so favorable an opportunity.

"We must be farsighted if we wish really to be prosperous. We had not studied carefully the South American situation. We had been buying but not selling there. We had allowed the money which we spent there to be respent in Europe.

"That was an exceedingly poor business method. When we go there now, in the tremendous effort which I hope we shall put forth, we must tell the South Americans that we will buy of them, but that, if we do they, in turn, must buy of us.

"We shall be in a position to dictate if we are wise. Commerce, really, should be merely barter, consisting of an exchange of commodities, rather than an exchange of money from one side for the commodities from the other. We took commodities and gave money. England, Germany and Europe generally were wiser.

"But when the war began Europe's position altered immensely. She had to buy of us more than she sold to us. Had she been in a position to sell to us as much as she had to buy of us, I do not believe that she would have sent, as she did not long ago, the allied commissioners for the negotiation of a great war loan.

"Among truly prosperous nations the balance of trade must be about equal. We must try to equalize our balance of trade with every nation on earth, and we never can do that until we are ship owners.

"We have at hand the best potential salesmen ability that the world has ever known. Years ago Americans abroad

were no credit to their home country, but those days have passed. Our Consuls at one time were a miserable lot; but, happily, that has been remedied.

CHOOSING AMERICAN REPRESENTATIVES

"But we still must be careful of our representatives. When I go to a foreign country those with whom I do business do not call me 'Mr. Dollar'; they say, 'that American.' If I do wrong my nation suffers.

"When a foreigner treats us badly here we speak of him as 'that Japanese,' 'that Austrian,' or by his nationality.

"We must remember these things when we select our agents to do business for us in foreign fields.

"We must impress on all those whom we urge into new trade that, the honor of the nation, to a considerable extent, is in their hands; and we must encourage for the work only the best men of the highest ability and ideals. Not only must we have good salesmen, but good citizens abroad. This cannot be too strongly emphasized. The days when the whole world distrusted Yankee shrewdness, now are past. I know we stand as well abroad as Englishmen or Germans do. If we do not we should see to it that we rise promptly in the world's estimation.

"So, assuming that for honesty and integrity we compare favorably with our competitors in foreign countries, it is high time that we began to compare favorably with them in enterprise and trade intelligence, and I know that we do not do that, at present.

"Foreigners, now, have no doubt of the quality of the goods which we sell them, but they have some doubt that we will send them exactly what they order. We have been strangely prone to assume that we know better what a foreign market needs than that market knows itself.

"When a market orders a certain sort of carpet we do not always send that kind to it, but, instead, ship to it the sort of carpet which we think it ought to want. And thus, sometimes, with other things.

MUST TAKE NO LIBERTIES WITH TRADE

"Very likely we are right, but we must not take such liberties until we have proved that to be the case. We must abate that foolish arrogance.

"When I began in the China trade there was a demand there for long American timber. It was inconvenient stuff to handle, and short timber would have served the purpose just as well, so I started a campaign of education to prove this, and at length succeeded. But until I had done this I gave my Chinese customers long timber, shifting to the short only when they, themselves, as the result of that which they had learned, asked me for it.

"Before we end this talk I want to say a few more words about the farmer's interest in the export trade, and the strong link which binds every human being in this country to the great problem of ocean shipping, even though they may live in the interior, far distant from the seacoast.

"It is to the interest of everyone that our shipping laws should be such as to make shipping and ship-owning possible. They are not so at present. The La Follette law is an attempt to equalize wages on all ships in the world. When I was asked by the Congressional committee if an increase in wages on the ships would not necessitate an increase in rates, I answered in the affirmative, of course. Then I was asked who would pay, and, of course, the only answer was, 'The consumer.'

"As a matter of fact, it will cost us 2 or 3 cents a bushel more to carry grain under this law than it did under the old laws.

"Will the consumer pay it always? No! Sometimes the producer must pay it—he must if he meets competition not similarly burdened—and he does exactly that when he sells his grain for export.

"When we are forced to charge increased freights the farmer must sell at a less price or not sell at all. And so, also, with the manufacturer. This shipping problem is a great one, touching all of us."

Chapter Twenty-three

MEN WHO ARE MAKING AMERICA

From Leslie's Weekly, September, 1916
By B. C. Forbes

The cook boy in a remote Canadian lumber camp was caught off guard.

"What are you up to?" demanded the boss.

The boy, startled, crumpled up a sheet of rough paper he had spread on top of a flour barrel.

"I've finished my work," he apologized.

"What were you doing?" asked the boss.

"When I have any spare time I like to learn," he explained, timidly.

"Learn what?"

"To figure and write."

The camp manager picked up the rumpled paper. It was covered with figures and writing.

He said no more.

When Li Yuen Hung was recently chosen President of China, one of the first things he did was to send this ex-cook boy a cable expressing a desire for his friendship. Yuan Shi Kai, his predecessor, had decorated the former lumber camp lad. So had the last Emperor of China.

Today, the cook boy is one of the most influential counselors of the Chinese Government and almost an idol in the eyes of the Chinese people.

His name is Robert Dollar, the foremost producer and exporter of lumber in the United States, the owner of two fleets of steamers, one for coastal, the other for oversea trade, the greatest individual creator of commerce between the Pacific Coast and the Orient, a still greater creator and cementer of friendship between the Orient and the Occident, and this country's most potent worker for the establishment

of a powerful American merchant marine. Also, a philanthropist.

It was Captain Dollar who led the unsuccessful fight against the enactment of the suicidal La Follette Seamen's Bill which immediately swept the Stars and Stripes from the Pacific Ocean and gave the Japanese complete control of the commerce between the Orient and the United States.

"La Follette's name will go down to posterity as the man who drove the last nail into the merchant marine coffin," the veteran captain declared when, despite all the protests of commercial and shipping authorities, the fatal measure was passed by Congress.

The law was found to be so impossible that Washington was obliged to announce that certain features of it would not—because they *could not*—be enforced.

Even so, the conditions brought about were so demoralizing, so subversive of all discipline, so productive of insubordination, that shipping casualties became so numerous on the Pacific Coast that insurance companies refused to accept the risk.

An impressive tribute to the genius of American statesmanship!

WHAT SHIPPING NEEDS

Not content to legislate for American ships, representing about one per cent. of the world's shipping tonnage, the Washington wiseacres actually attempted to make laws for the remaining 99 per cent.! Of course they had to crawl back into their shells. If they hadn't, America would have been left without ships to move her $6,000,000,000 of annual exports and imports. President Wilson sent for Captain Dollar, but, unfortunately, Congress did not follow the sound advice given.

"All we shipowners want," Captain Dollar repeatedly told the Government, "is to be put on an equal footing with other nations. Give us equal laws and we will give you a merchant marine rivaling that of a century ago, when the Stars and Stripes carried nine-tenths of the United States oversea commerce. Today our naval vessels cannot go far from land without the support of foreign auxiliaries."

So ridiculous did our marine regulations become that American shipowners were compelled to fly the British flag and employ British naval reserve men on their vessels, thus helping to strengthen Britain's power at the expense of crippling our own.

"You may succeed in driving us out of the United States, but you can't drive us out of business," Captain Dollar told Andrew Furuseth, the seamen's professional agitator, who really was the inspirer of the measure.

Patriotic American though Captain Dollar is, *he is compelled by our absurd laws to run his oversea fleet under an alien flag and from an alien port.* Whereas his ships used to sail from California, their headquarters is now Vancouver, British Columbia, which levies toll, of course, on every ton entering her harbors and gets the railroad haul of merchandise which ought to pass over none but American lines and be handled by none but American workmen.

By what steps and by what qualities did Robert Dollar climb from the cook's shanty to the ownership of steamship lines and a vast timber business, honored by election to the presidency of both the Chamber of Commerce and the Merchants' Exchange of San Francisco, by selection as a director of the $50,000,000 American International Corporation, by decorations from Peking and by receiving the *Freedom of the Borough* and the keys of his Scottish birthplace? Not one of America's "Fifty Greatest Business Men" began more humbly.

The most menial job was his—that of a "cook's boy." When the food did not come up to the expectations of the hungry lumber jacks, the person who set it in front of them was lucky if he encountered nothing more damaging than a volley of oaths. Bob Dollar, however, manifestly was doing his best and most of the rough diamonds came to have rather a warm spot for him in their hearts—especially as he could be called in to read or write a love letter for those who could use axes very effectively but pens not at all.

When the camp manager, Hiram Robinson, caught the cook's boy struggling with addition and subtraction and multiplication and division and caligraphy, he did not dismiss

him for using the company's time for such a purpose, but quietly went about providing the ambitious little fellow with books and also saw to it that leisure was provided for study.

STUDIED BOOKS AND MEN

The lad did not confine his studies to books or to cookery. He learned how to fell trees, how to tell good lumber from bad and, not the least important, how to get along with the uncouth workmen. Before he had had his first shave he was playing the part, not of a boy, but of a man, able to hold his own when trouble broke out.

"Take a drive down the river Du Moines. Take 50 men with you." That was the order he received one day from the camp manager. This was the first drive of saw logs undertaken from the Du Moines district over the Chaudière Falls, a route subsequently taken by many millions of Ottawa-bound logs. Dollar, though only 21, managed the men and the venture successfully. As a reward he became foreman over a big gang.

Two things all Scotch children are taught—the Bible and thrift. Lumber-jack Dollar had saved most of his hard-won wages, though the pay was only $10 a month at the start. Another trait is independence—the Northern Scots claim that they are the only people the Romans failed to lick after trying. He had enough money when 27 to buy a modest bit of timber land and started operations.

Alas, "Wall Street" upset all his plans and plunged him into bankruptcy. No, he had not speculated in any "sure thing" tip; it was the panic of Black Friday which ruined him as it ruined many stronger business men.

He had learned, however, how to take knocks. He had no difficulty in getting a good job as manager of an important lumber establishment. He saved every penny that came within his reach and paid off all his debts in full within four years—he was and is an ardent believer in the Golden Rule and its Founder. His employer took him into partnership and this time things moved more satisfactorily. Their product consisted chiefly of hewn board timber for export to England.

"Captain Dollar is from Missouri—from the heart of Missouri," one of his managers said to me. "He must always be shown; he wants to see things for himself—even if he has to travel one thousand or ten thousand miles to see them. He is one of the best-traveled men in the world. He always gets at the bottom of everything. He is intensely practical and has scant regard for untested theories. He keeps his eyes open all the time for new opportunities. He is the most resourceful man in America."

Perhaps this explains why he moved first to Michigan, where larger and better timber could be had, and later to the Pacific Coast. He began lumbering redwood in Northern California but grudged the amount he was charged for transporting his output. He investigated. He discovered that if he could get a ship of his own he could cut the cost to half. So he bought a little tub, the "Newsboy," of some 300 tons. It paid for itself in less than a year.

STARTING A STEAMSHIP LINE

This appealed to the Scotch in him! If one "tuppeny" boat could make so much, why not get hold of more boats? He did. And that was the birth of the now famous Robert Dollar Steamship Company, with half-a-score vessels in the coast-wise trade and as many more plying between the Pacific Coast and the Orient, and with branches in Shanghai, Hong Kong, Tientsin, Hankow, Kobe, Petrograd, Manila, Vancouver, Seattle and New York.

The business did not grow of its own accord; it had to be built up from the foundation. It called for foresight, enterprise, energy, diplomacy, patience, perseverance and the most scrupulous fair-dealing, for no race is more quick to resent questionable practices than the Chinese.

When Captain Dollar first began to ship lumber to the Orient, the demand was solely for the very largest pieces. This left a by-product of small boards, which could not be shipped. He knew that the Chinese did not use these enormous sizes but that nearly all of them were cut into small pieces by hand-saws. The resourceful Dollar began persuading his Chinese customers to take a sprinkling of these small

sizes. He took a trip to the Celestial Empire and created a market for his by-product.

Return cargoes were then not to be had. There was no profit in running empty steamers; therefore, trade had to be developed. So off he went to find out what could be done about it. When he got to the Philippines he made arrangements to import mahogany and copra. Japan, he discovered, could supply oak, sulphur, coke and coal. China yielded a grade of pig iron which Western mills would snap up as fast as it could be brought over.

The Dollar steamships were thus kept loaded, both going and coming. Since the war, freight rates have been so high that lumber could not stand it. Outward shipments, consequently, have consisted very largely of general merchandise and munitions, the latter to Vladivostok. From that port the vessels proceed to China, Japan and the Philippines for return cargoes.

"NEVER CHEAT A CHINAMAN"

While the Dollar Steamship Company trades with India, Japan and the Philippines, its largest business is with China, where Captain Dollar has come to be revered to a degree not easily understood by the untraveled American.

"Never try to cheat a Chinaman," Captain Dollar impresses upon everyone who would do business with the Chinese. Confucius taught them that "honesty is the best policy"—and the Chinese live strictly up to this axiom. In addressing a meeting of the United States Chamber of Commerce last year, he said, "In all our years of trading with the Chinese, involving many millions of dollars, we have never lost a single cent, never had one bad debt. I wish we could say the same of other countries, including our own."

Great as have been the services of Captain Dollar in extending American commerce in the Orient and in creating a fleet of high-class steamers, both passenger and freight, as well as in striving heroically to have Congress adopt sensible shipping legislation, he has a much stronger title to the gratitude of the American people.

Robert Dollar has done more to prevent strife and promote peace between America and the Orient than any living statesman.

When war was threatened between this country and Japan over the San Francisco school question, Captain Dollar succeeded in getting up a party of commercial men from different chambers of commerce to visit Japan, where he is almost as well known and as highly regarded as in China. The Emperor himself received the delegation. The *entente cordiale* was reestablished. After that the jingoes could make no headway with their militant propaganda.

Two years later Captain Dollar organized an influential commission to visit China. Their reception by the Emperor, by Government dignitaries, by cities and by commercial organizations eclipsed in ceremony and display anything before or since extended to foreign visitors. Captain Dollar's diary of this memorable trip (he has kept diaries without a break for 59 years) was later published for private circulation at the insistent request of friends; it gives a better insight into the nation which comprises one-third of the human race than any other publication I know of. It is sprinkled with wit and humor. Last year, it will be remembered, a distinguished Chinese delegation, headed by Cheng Hsun Chang, visited the United States and created nation-wide interest. This was China's fitting way of returning the Dollar delegation's visit.

Captain Dollar, as his photograph shows, is a patriarchal figure with his silver-white hair and gray beard. He works prodigiously, especially before most of America's 100,000,000 people are out of bed. He spends a goodly part of his time and his means in philanthropic and church work, being especially interested in furthering the Young Men's Christian Association movement throughout the world. His speeches on shipping problems have attracted national interest during recent years.

WORDS OF EXPERIENCE

I asked Captain Dollar what his vast experience had taught him were some of the qualities helpful to the attainment of success. I also asked him what ought to be done to

enable the United States to attain a higher place among the commercial nations of the world.

The Grand Old Man of the Pacific thus replied to the first question:

"1—Fear God and be just and honest to your fellow man.

"2—Incessant hard work.

"3—Frugality and saving your money.

"4—Drink no intoxicating liquors. In these days of keen competition whiskey and business won't mix—*you can't do both.*

"Foreign Trade is the answer to the second question. We are legislated to death. Stop legislating and leave our merchants alone and they will develop our foreign trade, and provide tonnage to carry our own products to market. Permit our shipowners to operate our ships exactly on the same terms and conditions as other nations are doing, and then our merchants will supply the cargoes and our shipowners will provide plenty of tonnage for our commerce in time of peace and auxiliaries to our navy in time of war, and except for carrying mails, it won't cost our country a cent."

A few months ago a septuagenarian visited octogenarian Hiram Robinson, at Ottawa.

"You don't remember me?" asked the visitor.

The old man peered at him a moment.

"Don't I?" he cried, holding out his hand. "You are Bob Dollar, my old cook-boy."

The millionaire ex-cook-boy left Hiram happy, for the aged lumberman was the boss who caught him learning to read and write and who made the ascent of the ladder of success a little easier.

Chapter Twenty-four

ELOQUENT APPEAL FOR A GREATER AMERICAN MERCHANT MARINE

The first part of 1917 was eventful. In January of this year Mrs. Dollar and I attended the annual meeting of the Foreign Trade Council at Pittsburg, Pennsylvania. There was a large attendance, those who registered numbering twenty-five hundred. It was not so much the number, as the high class of men who attended. They represented the big commercial and banking institutions of the United States, which showed conclusively that the country had at last awakened to the necessity of foreign trade. It was as enthusiastic and as earnest a body of men as I had ever seen together. Splendid addresses on the various subjects that affect foreign trade were delivered. Mr. Bernard N. Baker was to have addressed the meeting on, "The Necessity and Importance of an American Merchant Marine." At the last minute he notified the assembly that he would be unable to attend, so the committee asked me to take his place, which I did. The following is a stenographic report of my talk:

Report of the Merchant Marine Committee of the National Foreign Trade Council, Presented by Robert Dollar, Chairman

It goes without saying that the Fourth National Foreign Trade Convention desires to consider the American Merchant Marine from a business, rather than from a sentimental standpoint.

If any delegate desired to enter into a new business he would not wrap himself in the Stars and Stripes and make a speech. He would calmly analyze the chances of success in the particular field and then estimate his own resources and necessities. Let us consider, therefore, why the United States desires to go more extensively into ocean shipping. The Na-

tional Foreign Trade Council has declared that an American merchant fleet should discharge the following functions:

First: Increase the national income and domestic prosperity, through greater facilities for the sale abroad of products of the soil and industry of the United States; the importation of materials indispensable to life and industry; and, through freights collected from world commerce.

Second: To maintain under the flag, communication with distant possessions.

Third: To aid the national defense and maintain commerce during war, whether the United States be a belligerent or a neutral.

The world shipping outlook may be summarized as follows:

The position as far as the future of merchant shipping is concerned may be summed up under four heads:

1. War-loss of tonnage.
2. Steps taken to remedy the decrease of tonnage.
3. Nationalization of merchant shipping in relation to international traffic.
4. Participation of American shipping in international trade after the war.

WAR LOSSES

According to available statistics, England has lost some 12% of her deep sea shipping as a result of the war; while Germany has lost about 7.5% of hers, through mines or otherwise. The 13.4% of German tonnage now in the hands of the Allies has not been wiped off the register, nor is it necessary to take into consideration the 39.1% of German tonnage laid up in neutral harbors. In the case of Norway, the loss of shipping due to the war has been even greater than that sustained by England. The merchant shipping of the world to-day is probably only 85% or 90% of what it was when the war broke out, taking into consideration all the new tonnage built during the past two years, which is the smallest amount built for almost a generation.

Collectively, with this process of destruction, we must include some four and one-half million tons of shipping laid up to avoid the risk of capture, while at least another twelve

million tons is in constant use by the Allies, in connection with the transport service. Altogether, it has been estimated that only slightly more than 50% of the whole mercantile fleet of the world is now available for peaceful trade, so that no great effort of the imagination is needed to understand the position as regards both the present level of freights and the prices which neutral ships are commanding in the sale market. This will give you a general idea as to why freights are so high.

REMEDYING THE LOSSES

The next question in order is, the nature of the steps taken to remedy the loss of that 10%, more or less, of the world's tonnage which has been destroyed as a result of the war. It is here that the greatest difficulty will be found in arriving at anything like comprehensive figures, upon which to base positive deductions.

In 1913, for instance, British shipyards turned out, approximately, 1,975,000 tons of shipping. Last year the output was reduced to 580,000 tons; but, concurrently, there was a proportionate increase in other countries, particularly in the United States, where, including the tonnage built on foreign account, some 560,000 tons of shipping were launched. In Holland, France, Norway and Denmark, last year's output was slightly reduced, owing to the difficulty of securing material; while little is known of what is going on in German shipyards. Japan and Holland, together, turned out about as much tonnage as the United States, and, adding the British total to that of all other countries, the total for 1916 is slighly above 1,820,000 tons of new ships —which is less than the output of the United Kingdom for the year 1913. The output of new tonnage throughout the world has been reduced by 50% since the beginning of the war.

According to the figures compiled by the Bureau of Navigation of the United States Department of Commerce, not less than 1,428,000 tons of steel ships had been ordered from American shipyards on December 1, 1916; and, in the United Kingdom, according to the figures of Lloyd's Register, approximately 1,180,000 tons of shipping were in

various stages of completion, and could be put into service within a few months, should the cessation of hostilities permit the employment of sufficient labor to push the work on these ships.

Figures are lacking as to the amount of tonnage under way in Germany, France, Italy, Japan and Holland; but, it is known that this tonnage is considerable and amounts to at least as much as has been ordered in this country; so that there is every reason to believe that, should hostilities terminate this year, the mercantile marine of the world, after another year, would show a net loss less than is now anticipated. In other words, it would have suffered from arrested development, a condition open to various interpretations, for the reason that, in years past, trade depressions were followed by terrible slumps in the shipping industry, so that any slackening in the movement of international traffic resulted in depriving ordinary cargo ships, or tramps, of a living wage, and forced many of them into idleness. This surplusage, therefore, will have been wiped out by the destruction wrought during the war and the slackening of shipbuilding operations, making the exploitation of oversea transports a less precarious industry than it has been since the last boom period of 1900, which was then brought about, wholly, by the enormous requisition of tonnage by Great Britain for the transport of troops and supplies to the seat of war in South Africa.

GOVERNMENT CONTROL OF SHIPPING

It would be extremely rash, however, to venture predictions concerning the maritime traffic situation of the world as it will find itself at the end of the war; chiefly, because the ultimate result is still a matter of speculation. At such times as these, when international trade is, as during the Napoleonic wars, a period held subordinate by the belligerents to the measures thought necessary to secure the advantage in war, the future is so dependent upon the future course of events, as to warn us to exercise the utmost caution, when venturing predictions based upon past events.

The war has been, and is still, a great benefit to the

shipping of neutral countries. Thus, we have seen in our own trade, scores of Japanese, Greek, South American and other vessels, that formerly never ventured beyond the coast line of their own countries, arriving at our ports in search of coal, grain, foodstuffs and other essential necessities. Similarly, our own so-called "Coastwise" vessels have been eagerly chartered for the oversea trades and, a few days ago, two steamers, built for the Atlantic Coast traffic, were chartered by a British steamship company to work on the New York and River Platte line, in the place of British tonnage that had been commandeered by the British Government.

One question which has been foremost in the minds of those who have recently participated in international ocean traffic, has been, the probable attitude of the belligerents toward neutral shipping when the war ends. It has been hinted that the system of government control of shipping now in force in the warring countries, would be continued after peace is declared, and, that steps would be taken by the Allies to exclude from their trade the ships owned by their former enemies.

It is idle to conjecture what is really at the bottom or what will be the result of the trade pact signed by the Allies at Paris, last year; but, it is inconceivable that the nations which are now, in their own words, allied for the defense of civilization, will use the eventuality of victory for the purpose of enforcing a system of domination of the seas which, though once claimed as a right worth upholding, if necessary by force of arms, was given up voluntarily as a handicap upon the accretion of national wealth, through greater participation in international trade.

Restriction of the liberty of navigation must be paid for by those who would seek to drive others from the sea; and, historians are agreed, that it was only through her tacit renouncement of the doctrine of Sovereignty of the Seas, and the repeal of the monopolistic Navigation Laws, that England secured for her shipping that position of superiority which it enjoyed at the beginning of the war.

EFFECT OF CONTROLLED SHIPPING

An object lesson in the practical working of nationalization of shipping is in evidence to-day. It is undeniable, that much of the tonnage scarcity existing in certain trades has been artificially created by the action of officials in control of shipping, who have ordered ships to proceed from one end of the world to another, unmindful of the fundamental principle that the proper function of shipping is to serve both ends of the trade routes; and, that ships cannot be shunted to and fro like locomotives, over the shortest circuit, without causing profound disorganization in the sytsem of international transport which has been evolved by the natural process of operation of the law of supply and demand. Signs are not wanting that the public of the allied nations is beginning to understand that Government control does not necessarily imply efficient handling.

In this country, we have heard the echo of Government control of shipping through the enactment of the Shipping Act, with its concomitant appropriation of $50,000,000 of public funds for the purpose of acquiring vessels. In this case, one problem will be the judicious expenditure of so large an amount of public money, without incurring the risk of a tremendous depreciation of the initial investment when conditions have returned to normal.

AMERICAN SHIPPING

The last phase of the problem of rehabilitation of merchant shipping after the war, is that which has to do with the probable amount of traffic that will be available when the guns are silenced, and the legitimate share of such traffic which may accrue to the American merchant marine.

The nations at war have piled up such a heavy burden of debt, that, for a long time, they will probably continue to impose upon themselves the program of retrenchment at present in force.

Of late, the percentage of American foreign trade carried in American vessels has increased materially, and the urgent question at the moment is, the devising of means, not only to the end of reserving for American shipping the percent-

age of American international trade which it has won; but also of strengthening its position in order that if the end of the war witnesses keener competition for maritime traffic, the American merchant marine will continue to enjoy that share of the world trade which it has already conquered.

This phase of the question is that which concerns us most deeply, both because an American merchant marine is required for national needs, and as a source of revenue for our people; and, because it is a vital element of the shipping problem, that no one section of it be developed without due regard for the economic conditions which are likely to influence its existence. The new American merchant marine, which is now in process of evolution, has not, perhaps, developed as rapidly as circumstances seemed to justify; but, it is well worth remembering, that the natural desire of the American public to venture more extensively into ship owning has been somewhat dampened by legislation which, although ostensibly conceived for the general benefit of the community, has nevertheless been interpreted as likely to handicap the chances of American shipping. The Seamen's Act is a case in point.

In all countries, a similar upward trend in the cost of ship labor has been witnessed and, for the time being, high rates have neutralized the disadvantage imposed upon American vessels; but, if it is desired that the American ships which are now exploiting some of the American trade routes remain in these trades after the war, it will be necessary that, after rigid inquiry, steps be taken to place the American ship on a footing of equality with any competing ship in the same trade. Such functions appear to have been delegated by law to the recently created Shipping Board and, if by reason of the Board's existence, it becomes possible for American shipping to trade on equal terms with the foreign ships that come in ballast to these shores to seek cargoes for distant markets, there will have been set in motion machinery that will prevent the recurrence of that period of stagnation existing before the passage of the Panama Canal Act, when the arrival of an American ship at any port in South America south of the Spanish Main, was enough of

an event to draw comment from the vernacular newspapers.

PECULIARITIES OF THE AMERICAN TRAFFIC

When studying the merchant marine problem in its particular relationship to the ownership and operation of tonnage under the American flag, it must not be overlooked, that there exists, in our foreign trade, a serious deficiency from the traffic point of view, in the fact that the normal tonnage of American exports is about twice that of imports, so that there exists, at all times, a greater demand for tonnage to carry exports, than is usually to be found disengaged in the ports of the United States.

In general, it can be predicted that, as soon as our imports of raw materials have increased in such volume as to solve the vexed problem of return cargoes, there will have been evolved a condition, that will not only be of great help in the development of the American merchant marine, but of many of our competing industries as well; for the reason that, the greater volume of imports will be a guarantee of the steady flow hither of a large number of ships which will be available at lower rates of freight than has been the case in the past, when so many ships had to make the voyage to these shores in ballast in order to load our exports.

It may be regarded as axiomatic that, even when under such circumstances, traffic will be found for an American merchant marine only if it is able to offer both exporters and importers the same service for the price at which foreign ships are willing to undertake it. This traffic will not of necessity be regularly to and from the United States, because on several of the trade routes over which our exports travel, no return cargoes of any kind are available, so that American ships will serve the commercial interests of other nations as well as of ours. Obviously, it is impossible for any nation to trade exclusively in its own bottoms, because, in such a case there would be no return cargoes and the ships voyaging empty on one leg of the journey could not perform the service for the same price as when the cost of transportation is figured on the assmuption of carrying pay-

ing cargoes both ways. Therefore, American traffic stands peculiarly in need of the "tramp," the very nature of whose existence is to serve the commerce of all the world, carrying cargoes for whatever destination is offered, in order to avoid the deadening expense of returning home in ballast. Normally, about 40% of the carrying power of the British merchant marine is employed constantly in service between foreign ports, wholly outside the United Kingdom; and, in average years, only about 55% of the entries and clearances at British ports consisted of British tonnage.

England's example may serve as an illustration of the great economic fact that, no nation can transport all of its foreign commerce in its own vessels, for we must always reckon with the unnatural desire on the part of our foreign customers, like ourselves, to possess a merchant marine, so that, in all cases, care will have to be taken to allow such foreign ships a sufficient margin of traffic from our coasts; especially in view of the fact that such of that which we export is the property of the foreign purchaser even before it has left this country.

VAST TONNAGE NEEDED

From these premises it has been adduced that, there is every reason to put forward efforts enabling an American merchant marine to carry from 50% to 60% of our total foreign trade—speaking in terms of bulk, not value. It has also been calculated in a statement submitted in May, last year, by the National Foreign Trade Council to the Merchant Marine Committee of the House of Representatives, in connection with the passage of the Ship Purchase Bill, that between six million and ten million tons of ships of all sizes and types would be needed to discharge such functions as have been alluded to above. This by no means implies that such an amount of tonnage is to be created anew. In the first place, the capacity of the shipbuilding industry of the whole world would not be sufficient to provide so many ships in a decade, but, it does mean that, provided inducements are offered Americans to operate tonnage under their own flag, there is traffic already in sight at our very doors,

for a fleet approximating half that of England when the Great War broke out.

To sum up, this is the situation: The traffic is here, and more traffic may spring up as a result of more intensive exploitation of our coal mines, increased imports of ore and nitrates, and greater expansion of our export trade in manufactured goods. From the transportation of about one-half of this traffic, not only can our people derive a very large revenue, which will be a welcome addition to our national wealth, but the ability of the nation to defend itself against foes will also be well served by the ownership of so large a fleet. The investment that would be represented in such a fleet amounts to probably ten times the $50,000,000 appropriated by the Ship Purchase Act.

Therefore, the duty which lies before the Shipping Board, created by the same law, is not so much the expenditure of that appropriation under the dangerous conditions existing at present, but, the evolution of a policy enabling American ships to compete on equal terms with those that have in the past carried the preponderating share of our foreign commerce.

SOMEBODY MUST PAY

Either by the leasing of the government owned vessel to private enterprise or by government operation, the Shipping Act embarks the United States in an industry, normally costing more to conduct in the United States than under foreign flags. Under normal conditions of peace it can scarcely be expected that private companies will undertake the operation of government ships, unless the rate of lease or charter is sufficiently lower than the market to offset higher American operating cost. Somebody must pay the difference, and under the proposed policy it will be the taxpayer, just as surely and completely as under a subsidy policy. If, then, government aid is extended only through the leasing of government owned vessels, the American flag in foreign trade may become a government monopoly, except for such exporting enterprises as may desire, as a matter of policy and protection, to own and operate vessels for the carriage of their own goods.

It is not generally realized that the authorization for a $50,000,000 bond issue to give effect to the Shipping Act is the most unrestricted appropriation ever made by Congress, for no regulations are laid down. A Public Building bill always specifies the location and limit of cost of post offices and customs houses. A River and Harbor bill does the same for engineering works. But, the Shipping Board is empowered to build, buy or lease vessels, and to lease or sell them, and with the funds thus derived, it may build, buy and lease more, and again lease or sell them. The way is open for the government to assist private enterprise by chartering vessels to individuals or companies at less than the market rates, but, a distinct danger lurks in the possibility of political influence being exerted to determine the recipients of such aid. The Shipping Board will require a maximum of independence and vision to resist such influence, for it is unlikely that the public will ever consent to sufficient appropriations for the government construction or purchase of the six million to ten million tons, necessary to render American commerce reasonably independent of foreign transportation.

The government control of European shipping during the war has led to some projects for a similar control during the reconstruction period, and permanently thereafter; this has created a rather academic apprehension that European merchant fleets may not, with the return of peace, be again so thoroughly at the service of American commerce as before the war, but, that by some co-operative policy, the various belligerents will use their shipping only for the encouragement of their own commerce. This overlooks two important facts—First, that transportation from, and exportation to, the United States, will be the most important element of European commerce; and, second, that when ships, now impressed in government service and immobilized, are released, there will probably be more ships than freight, and unrestricted competition will serve the national interest of all countries, better than European government control.

The first duty of the Shipping Board, obviously, is to acquaint the American people with the fundamentals of

ocean transportation, especially as relates to American foreign commerce. And its second duty is, to make recommendations to Congress which will permit the development, by private enterprise, of a merchant fleet sufficient to give the United States what, for many years, economic and legislative construction have denied it—A share in the ocean carrying trade of the world.

A policy consisting of a few government steamship lines will not be a solution of the problem, in which probably, above all others, the American people are interested.

The United States Shipping Board will be accompanied in its labors by the earnest wishes of the American business public, that its labors may result in a broad and constructive policy. To this end it is the duty of every American citizen engaged in foreign trade, to give his cordial co-operation and best information to the Board.

Commercial and industrial organizations should be encouraged to study this question in its broadest aspects as an industrial proposition.

The Merchant Marine Committee of the National Foreign Trade Council is conducting a continuing work of investigation, the results of which, from time to time, are made public. Pending the organization of the Shipping Board, and an indication of its interpretation of the Shipping Act and the policy it proposes to pursue, the Committee at this time deems it inadvisable to make further recommendation than that all business interests co-operate to the best of their ability with the Shipping Board, and that the Board itself lay the foundation for a policy which will encourage the private endeavor which alone can produce and permanently maintain, a fleet adequate for the carriage of a greater share of our own and the world's commerce.

Committee of the Merchant Marine,
National Foreign Trade Council.

ROBERT DOLLAR,
JAMES A. FARRELL,
P. A. S. FRANKLIN.

This ends the Report of the Committee, but I have a few remarks to make that I think might be of interest. As to the personality of the Board, I would say this: I know them. They are all men of the highest reputation and the highest character; but, when I want to get a suit of clothes, I don't go to a shoemaker. There is a lawyer on the Board, there is a lumberman and there is a railroad man, and there is one shipping man and one vacancy. The Seamen's Union has done its utmost to prevent the ratification by the Senate of the shipowners' appointee, for the reason, they say, that he would know too much about shipping, and they don't want him. The difference between our Shipping Board, and the Shipping Board in London that controls more than half the steam tonnage of the world, is this: there, they appoint men who are actively engaged in shipping; while our men had to quit the business they were in before they could qualify for a position on the Shipping Board. They recently appointed a man there, who is one of the largest shipowners in Glasgow; and he and another shipowner are practically running the entire shipping business of England.

Mr. Chairman, whenever I have talked long enough, you tell me to sit down. I should like to speak of the conditions previous to the war, after the war is finished, and present conditions. As I said, anybody can run a ship to-day and make lots of money out of it, but I am going to take you ahead to the time when we are going to get down to the keenest competition the world has ever seen.

I want to say to you that, in foreign shipping, we are in competition with the whole world, and we meet the keenest and sharpest men in the whole world in our competition. It is certainly a man's job.

Just to show you the handicaps American ships have. In talking at New Orleans, I didn't speak of this and some of the members—especially those from the Middle West—said they would like to have known about the handicaps. I have not time to go into them at any length, because there is a whole string of them put in by the Government.

Take the extra measurement of a ship—The Americans measure the capacity of a ship larger than does any other

nation. Therefore, when our shipping goes to a foreign country, it pays from 20% to 30% more tolls to the foreign government than any other ship. That amounts, in a ship of 8,000 tons, dead weight, to about $5,500 a year.

The extra cost of inspection—We have to lay up our vessels to have them inspected. In foreign countries, they say this: "We want to inspect your vessel, are you ready? What have you ready?" We tell them what we have ready, and they give us a Certificate of Inspection for a certain part; we pass on to the next port to have the inspection completed. This is done so that there will be no delay. But, with our Government, they say: "Stop and wait until we can inspect your ship." I had a ship in Honolulu at one time on which the inspection certificate had expired. The ship was held up. There was no Inspector in Honolulu, the one nearest being at San Francisco. After telegraphing to Washington and waiting for some time, we finally obtained the consent of the authorities to have them send the Inspector to Honolulu. In the meantime our ship and crew were waiting for the Inspector at a cost of about $3,000 a year.

Then, the difference of wages—I took three ships, I have the records in my books; one was an American ship. one a British ship and the other a Japanese ship. The Japanese ship we chartered, but the other two I owned. The wages on the American ship were $39,240 a year; the wages on the British ship were $15,696 a year; and the wages on the Japanese ship were $9,324 a year. So there is a difference in the wages; and, when we get right down to a keen competition, there is the kind of competition that we are going to meet along with the other handicaps we have.

Mr. Furuseth, in planning the Seamen's Bill, said his plan was to get every sailor that came to an American port to desert from his foreign ship, and then hire him over again, at the American wages. In theory that was fine, but in practice it wasn't worth a cent. He forgot that if a sailor deserts a Japanese ship in a foreign port, when he returns home he is put into jail for a year. Now, Mr. Furuseth made the proviso in the Bill, that the sailors of each nationality should ship on vessels of their own nation, or they would

be taken up by our immigration authorities and deported; but, those who would ship on a Japanese vessel and go back to Japan, would go straight into the calaboose on arrival.

Now, what I have to say, is this—The shipowners do not want any subsidy. Because, a subsidy, as you know, to Congress, is like showing a red rag to a bull; but, if other nations are paying their sailors $20.00 a month and the American wage is $50.00 a month, then let the Government pay the sailors the $30.00 a month difference—to every American who ships. That will not be a subsidy—that will only be a little help to the poor men.

For the benefit of you men not in the shipping business, I will say this: when you hire a man, the bargain is just between you and him; you hire him and he works for you. Not so in shipping. When we hire a crew for a ship, we have to take the men before a United States Shipping Commissioner, who explains to the men the agreement, and each man signs the shipping articles. Then, when it comes to pay him off, we are not permitted to pay him. We take the money and give it to the Shipping Commissioner, and the Shipping Commissioner pays him. You see, gentlemen, that the Government comes in between to keep the wicked shipowner from "doing up" the poor man.

A question that you gentlemen no doubt have often asked yourselves is: What difference does it make to us whether we ship our goods in a foreign or an American ship, provided the rate of freight is the same? It shouldn't make any difference; but, I will tell you where the difference comes in. Take a shipowner running a ship from an American port; he is the best drummer of trade you can get, because, as I have explained to you, he will go to any extreme to get a cargo that will bring his ship back to his own port, and to try and help the commerce of his port. But, if I were living in London or Liverpool, do you think I would be pulling for this United States? Not at all! It is only because I live in this country that I am a drummer for the trade of this country, and try to keep my ships going. As an illustration, I cited a case where we sent a ship clear

around the world to get back to our own country. That is the great advantage of having our own ships.

Another thing—If a ship is to come back in ballast, you gentlemen are going to pay just about double the amount for the freight going outwards. A return cargo would cut your freight pretty nearly in two.

Now, the Emergency Act was about the only thing that was passed by Congress that amounted to anything at all in the way of helping American shipping, and that was drafted by a committee of this organization. But, the ink had hardly gotten dry on the President's signature, when down came the La Follette Bill, which practically crushed us out of existence. I have not time to go into the La Follette Bill; it would take half an hour to tell you about it, and you would be tickled to death with the explanation, if I only had time to give it. That was by way of helping the American Merchant Marine—*Over the left.*

I will read the figures from the Report of the Department of Commerce, of last May—just try and keep them in your mind.

Before the war began the American tonnage of the Pacific Coast was 26.10% of the whole tonnage. In May 1916, after the beneficial La Follette Bill had gotten in its deadly work, it was 1.97%. Shall I read those over? Before the war, 26.10%, and after, 1.97%; after—you know what.

The British tonnage before the war was 29.38%, and now, in May, it was 37.09%.

The German tonnage was 18.47%, and of course that was wiped out.

Then Japan—I want you to take particular notice of this, gentlemen, and take it home with you, if you will just make a note of it. Japan, before the war, did 26.05% of the Pacific trade, and in May last, 50.90%. That is the effect of the Seamen's bill. You will notice that the Americans went down to 1.90%, and the Japanese ran up to 50.90%; and, if I had the statistics up to the first of January, it would show an increase for the Japanese up to over 60%. It would not show any decrease for the Americans, because we were right down to nothing.

Then the Dutch came in. Before the war they didn't do a thing; but, since the war, they are doing 10% of the business.

These figures are very significant, taken in connection with the legislation that is now going on.

I want to say to you gentlemen, that I am not making a political speech. The Republicans did their worst to hurt the American Merchant Marine, and the Democrats were only successful because they were better at figuring—and, they were able to do us up worse than the others. You see, there is no politics in this at all.

I will give you just one more illustration. The old Pacific Mail Company paid no dividends for thirteen years. How would you like it? Thirteen years between drinks. Think of it! Then the Seamen's Act came down on it, and if it had stayed in business, it would have had to pay out $600,000 more a year.

The new Pacific Mail Steamship Company had an experience which illustrates more clearly the operation of the Seamen's Act. The company employed on a ship an American crew. The act compels the captain to pay the men half the wages they have earned at every port. The first port being Honolulu, the men got their money and forgot to come back to the ship, thereby delaying the sailing a day. At Yokohama, the same thing was repeated, and the ship had to sail without a full crew and had to pay some of their fares on the railroad to take them to Kobe. A reception was being held on the ship to Japanese merchants, when a free-for-all fight occurred from the effects of whiskey. This so exasperated the company that it hired a Chinese crew and paid the passage of the Americans back home. So much for the people making laws, when they have no idea of what the results will be. The British laws are most favorable to shipping, and as a result you will find British ships in every large port of the world, whereas the American ship is only conspicuous by its absence.

The Japanese, I will just say, are advancing their trade to South America, it having increased during the past year, about 50%.

There is just one thing more, and that is this: With the abnormally high freight rates now being paid, where shipowners are making money as never before, the Americans are out of it and the other nations are in it. Japan has increased her wealth so much,—her balance of trade had about balanced—that every steamer leaving San Francisco has, practically, from a million to two millions of gold, the balance of trade now being very much in her favor. Gentlemen, I thank you.

Chapter Twenty-five

A HASTY TRIP TO JAPAN AND CHINA

From Pittsburg we proceeded to Washington to attend the annual meeting of the United States Chamber of Commerce. This meeting was well attended, there being a greater number present than had ever before attended. These meetings are drawing the commercial interests of the United States much closer together, thereby giving them an influence they had never before possessed. At the request of Mr. Rhett, the President, I addressed the assemblage.

I had several conferences with the Shipping Board on the work they have before them, and from what I learned, they certainly have a big job on their hands. I also called on some of the Cabinet Ministers, and on the heads of various departments, discussing with them subjects of general public interest.

We then went to New York, to attend to some business concerning our branch office. While in New York I attended two meetings of the Directors of the American International Corporation, which, under the presidency of Mr. C. Stone, has progressed. They have decided to enter more into Chinese enterprises than they have in the past. They asked me to express my opinion of the future of China for commercial enterprises and investments. I also attended a couple of meetings at the India House, and had conferences with big shipping men of New York.

We returned to California by way of Vancouver, B. C. At Vancouver we were building a large saw-mill, preparatory to entering into the manufacture of lumber on an extensive scale, to provide cargoes for our steamers going to the Orient. We were also establishing a terminus for our steamship line, as we had secured the Great Northern Railroad dock and warehouse, opened large offices, and were getting an organization together to successfully manage the

business. My son, Melville Dollar, was in charge. At this time we had started negotiations to buy the controlling interest in the China & Export Company of Shanghai, China, which had mills and lumber yards scattered throughout the largest Chinese cities. As considerably over a quarter of a million dollars would be involved, we considered it necessary for my son Harold (who was home from Shanghai on a vacation) and me to go to China to make an investigation as to the property values of the company.

We arrived in San Francisco the middle of February and on the 5th of April, we left for Vancouver to embark on a Canadian Pacific liner for Shanghai. Before sailing, we spent a week looking over our various interests in the vicinity of Vancouver. We found the shipping department had been well systematized; the frame of the mill had been erected, and the machinery on hand and being set up. The wharf was built and there was the appearance of a big manufacturing plant.

The steamer made such a short stop at Yokohama that I did not have time to visit Tokio, where there were several Japanese with whom I would have enjoyed renewing my acquaintance. At Kobe, we had one day, which I spent in our branch office. Sixteen days out from Vancouver, we arrived in Shanghai. We immediately got down to business, and, after nearly two weeks of hard work, had about concluded our investigations as to the value of the properties, when we received a hurry up cable from the British Admiralty commandeering our three steamers, so I had to leave at once on the steamship "Bessie Dollar.' She was scheduled to load in Hongkong, and we were in a fix. On arrival at Hongkong, I at once called on the Commodore, and arranged with him to do what he proposed doing with the vessel, but to let us have half the cargo space to take care of our obligations. What appeared at first to be a serious stoppage of our business, turned out to be quite satisfactory after readjusting our business to suit the circumstances. Getting the ship fitted out for the British service kept me in Hong Kong eight days.

From Hong Kong we proceeded to Manila. Here the American Government had made arrangements for us to load some of the seized German steamers, the Pacific Mail to load the balance. On account of the war, business was very brisk, and it was only a case of getting the goods, to sell them. Like other parts of the world, lack of transportation was the chief trouble. Hemp and copra, that would stand a high rate of freight, were moving freely; but sugar would only pay $30.00 per ton, so no steamer would carry it. At the port of Iloilo, there were over 100,000 tons in warehouses.

On this visit I learned that Americans and Filipinos were getting to understand each other better, and instead of antagonism, there is now a friendly feeling of working together for the common good. There are no signs of American capital entering the Islands to any large amount. This is the more remarkable, if we compare them with China, which, although continually torn by revolutions, is drawing freely on American capital. There seems to be an utter lack of confidence, by financiers, as to the future of the Islands. The natives have been clamoring for independence and, now, when they see that the kind of independence they will get, will be absolute, and that the American army and navy will leave them to work out their own salvation, the fear of Japan has caused them to change their minds. Now they don't want the Americans to leave them to their fate. They want a complete self-government, and, without the consent of the United States, to get into all kinds of troubles with other nations, and then to have the United States fight their battles for them. They now see this is not workable, and until they get an army and a navy of their own to protect them (which may be in the dim and distant future), they must, as soon as they are ready for it, accept a government similar to that of Canada or Australia. I believe that the well thinking Filipinos will take this view of it, and if immigration is allowed, it will make the Islands one of the richest countries on earth—but, they must first have labor, then capital, to accomplish this.

I had to return to Shanghai as quickly as possible, to close the China Import & Export Company deal before the

1st of July, so remained only two days in Hong Kong on my return trip. On arrival in Shanghai, I concentrated my efforts to find the best, and cheapest land along the water-front suitable for the erection of a wharf and warehouse terminals for our trans-Pacific steamers, and for accumulating freight from the Outports for export. We finally bought one thousand feet frontage containing ten acres, and where there would be twenty-seven feet of water at low tide, along the front of the wharf when built, which is sufficient for our largest steamer. In the near future, we will commence the erection of the wharf and warehouses.

I looked over the city, to see how much it had extended during the past eighteen years, as I have a distinct recollection of where the boundaries were at that time. I was astounded to find the city had increased in area more than forty per cent. No wonder that land had increased tenfold in value in those eighteen years. There are no desirable vacant houses, and rents are very high.

We went to Hankow on one of the palatial river steamers and, while I had often seen it before, I was more impressed than ever with this beautiful country, with its rich, productive valley. At times the valley is so wide that the hills cannot be seen on either side, and it is seldom that they can be seen on each side at the same time. The Province of Sezchuen, alone, has over fifty millions of people, and it is so cut off by the rapids, called the Gorges, that it is inaccessible to commerce. This makes them an entirely self-supporting community, that raises and manufactures what it requires. An effort is now being made to connect Chungkiang with the outside world with three small steamers, but the navigation is most difficult and dangerous. That pioneer of American commerce, the Standard Oil Company, has built a boat, and now has her in the service between Ichang and Chungkiang, but in the not very distant future a railway will supplant this service.

It is over two years since I visited Hankow, and I find a number of substantial buildings have gone up, and many improvements have been made. Railroad building has been slow, but the Hankow-Canton Railroad is now open for

passenger travel to Changshau, a distance of one hundred and sixty miles. Good cars, shops, offices and dwellings have been built in a very substantial manner at Wuchang. Two years ago we purchased over five acres of land right in the city. At that time, I thought we paid too much for it, but found it could be sold now at a twenty per cent advance. We are erecting an attractive building on a corner, for an office, and a manager's residence. Like Shanghai, Hankow is destined to be a great commercial center and its prosperity will not detract from, but will help Shanghai. As the former is destined to be a great railroad center of China, there is plenty to be done.

We wanted to go to Peking, but were told that the Government had commandeered all trains to move troops to Peking, where fighting had started. As it was a long way around to return to Shanghai, then go by ocean steamer to Tientsin, our objective point, we waited two days and learned that a train would start, but with only a fair chance of getting through as fighting was going on in earnest. However, we took a chance and went on it.

Never venture, never win, was our motto. We were fortunate, as the Monarchist forces gave up and we managed to get through. Fighting had ceased the day before we got there. We found that every one that could possibly get away, had gone to Tientsin and Pe-ti-ho. So we had the great big hotel almost to ourselves. Souvenirs of the day before were visible at the door, in the shape of two bullet holes. The walls of many houses were riddled with holes, and at the Chien Mein (City) gate, several hundred bullets and shells had hit. We visited the place where Chung Hsun had been. It had been destroyed by shell fire and was still burning. It was outside the Forbidden City wall. Holes had been drilled through this wall and the muzzles of two cannon were still sticking through it. At such close range and with the protection of the wall, the Monarchists had had no show.

Chung Hsun escaped in an auto, sheated with steel plate. It had been hit scores of times, as each bullet had made a dent in the steel, so when he got out of range, the car did